Calendar No. 933

98TH CONGRESS
2d Session

SENATE

REPORT
98-489

NATIONAL SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS REAUTHORIZATION ACT OF 1984

MAY 25, 1984.—Ordered to be printed

Filed under authority of the order of the Senate of May 11 (legislative day, April 30), 1984

Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 2722]

The Committee on Agriculture, Nutrition, and Forestry, reports an original bill (S. 2722) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to reauthorize certain child nutrition programs for fiscal years 1985 and 1986, and recommends that the bill do pass.

SHORT EXPLANATION

The Committee bill extends through fiscal year 1986 five expiring programs authorized in the National School Lunch Act and the Child Nutrition Act of 1966: the summer food service program for children, the commodity distribution program, State administrative expenses, the special supplemental food program for women, infants, and children (WIC), and the nutrition education and training program. All five of these programs expire on September 30, 1984. Four other child nutrition programs—the school lunch, school breakfast, special milk, and child care food programs—are permanently authorized.

31-010 O

S163-8

PURPOSE AND NEED

One of the Committee's highest priorities for 1984 has been the consideration of the five expiring school lunch and child nutrition programs. Eight bills dealing with these and other child nutrition programs were introduced by members of the Committee and other Senators. The Committee and the Subcommittee on Nutrition conducted six hearings in 1984 which dealt in whole or in part with child nutrition programs. The purpose of the bill being reported by the Committee is to extend for 2 additional years the five expiring programs.

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

The summer food service program for children provides Federal subsidies for meals and snacks served to children in certain areas in which poor economic conditions exist. The program operates during the summer months (May through September). The program is authorized under section 13 of the National School Lunch Act.

Sponsoring organizations are responsible for the operation of the program. Sponsorship is limited to public and private nonprofit school food authorities—usually school districts—local, municipal, or county governments, and public and private nonprofit residential summer camps.

Except in the case of camps, the program may operate only in areas in which poor economic conditions exist. These areas are defined by current law to be areas in which 50 percent or more of the children are eligible for free or reduced-price meals under the National School Lunch Act and Child Nutrition Act of 1966. This means that the children are from families with incomes at or below 185 percent of the poverty level established by the Office of Management and Budget, currently $18,315 for a family of four. Children up to age 18 and mentally or physically handicapped individuals of all ages are eligible to participate in the program. Except in the case of camps, there is no individual or family income eligibility standards for receipt of meals and snacks under the program.

Meals are served free to all participants. The number of meals for which a Federal reimbursement is provided is limited to two meals a day, lunch and either breakfast or a snack. However, in summer camps and in programs primarily serving migrants, up to four meals per day per child may be subsidized. In camps, Federal reimbursements are restricted to those children from families with incomes at or below 185 percent of poverty, thus providing an individual "means test" for this component of the summer program.

Reimbursement rates established for the summer food service program are adjusted each January to reflect changes in the Consumer Price Index for All Urban Consumers series for food away from home for the 12-month period ending the preceding November 30.

Sponsors may claim actual costs, up to the maximum Federal reimbursement rates, and most sponsors are reimbursed at the maximum rate.

For the summer of 1984, the reimbursement rates are as follows:

SUMMER 1984 REIMBURSEMENT RATES

[in cents]

	Meal rate	Administrative rate	
		Regular	Rural or self-preparation
Lunch/supper	146.5	11.5	14.0
Breakfast	81.75	6.0	7.5
Snack	38.5	3.0	3.75

These rates are established separately from, and are higher than, reimbursement rates for meals served in the school lunch and breakfast programs and meals and snacks served in the child care center component of the child care food program.

The Committee bill reauthorizes the program for 2 fiscal years, through fiscal year 1986. The program operates as an entitlement, and such sums as are necessary to carry out the program are authorized to be appropriated.

Funding for the summer food service program is estimated by the Congressional Budget Office to be approximately $108 million for fiscal year 1985 and $114 million for fiscal year 1986.

The following table outlines the levels of participation among the States during fiscal year 1983 (the summer of 1983):

SUMMER FOOD SERVICE PROGRAM

[Number of sites, participation, and meals served fiscal year 1983]

State	Sites	Participation (July) (thousands)	Total meals served (thousands)
Alabama	405	46	$1,902
Alaska	—	—	—
Arizona	95	7	426
Arkansas	20	2	124
California	1,414	159	7,516
Colorado	87	14	505
Connecticut	218	21	733
Delaware	212	9	353
District of Columbia	31	7	208
Florida	707	65	2,975
Georgia	503	43	1,814
Guam	—	—	—
Hawaii	33	4	179
Idaho	9	1	51
Illinois	715	51	2,414
Indiana	161	14	964
Iowa	48	2	210
Kansas	21	1	49
Kentucky	225	19	039
Louisiana	187	27	1,388
Maine	22	2	222
Maryland	443	31	972
Massachusetts	302	27	1,387
Michigan	963	68	3,201
Minnesota	311	10	774
Mississippi	102	25	1,169
Missouri	260	14	884
Montana	30	2	113
Nebraska	34	3	143

SUMMER FOOD SERVICE PROGRAM—Continued

[Number of sites, participation, and meals served fiscal year 1983]

State	Sites	Participation (July) (thousands)	Total meals served (thousands)
Nevada	17	1	80
New Hampshire	33	2	203
New Jersey	700	60	3,456
New Mexico	135	10	456
New York	1,676	234	16,878
North Carolina	403	34	1,494
North Dakota	19	1	141
Ohio	350	30	1,821
Oklahoma	58	3	290
Oregon	83	6	242
Pennsylvania	1,329	92	6,308
Puerto Rico	468	66	1,087
Rhode Island	134	11	578
South Carolina	541	44	1,911
South Dakota	67	3	217
Tennessee	277	13	980
Texas	361	34	1,878
Utah	22	1	95
Vermont	9	1	38
Virginia	159	18	758
Virgin Islands	87	4	111
Washington	139	7	278
West Virginia	167	11	523
Wisconsin	107	9	624
Wyoming	1	—	5
American Samoa	—	—	—
Northern Marianas	—	—	—
Trust Territory	—	—	—
Total	14,900	1,377	71,967

Source: U.S. Department of Agriculture.

COMMODITY DISTRIBUTION PROGRAM

Authority for commodity assistance to school lunch programs is provided under several statutes—sections 6 and 14 of the National School Lunch Act, section 32 of the Act of August 24, 1935, and section 416 of the Agricultural Act of 1949. Section 14 of the National School Lunch Act is the only authority which expires. The other authorities are permanent. The Committee bill contains a 2-year extension of section 14 of the National School Lunch Act.

The commodity distribution program, authorized under section 14 of the National School Lunch Act, requires the use of certain agricultural support funds (section 32 and in some cases Commodity Credit Corporation funds) to purchase commodities for child and elderly nutrition programs. The commodities so purchased by the Department of Agriculture are those needed to meet the annually programed level of commodity assistance mandated for these programs by other provisions of law. For example, in the school lunch program, section 6 of the National School Lunch Act permanently requires that a specific amount of commodities be made available for every school lunch. In the 1983–1984 school year, this has amounted to 11.5 cents per meal. Additionally, title III of the Older

Americans Act of 1965 also has a commodity assistance mandate for meals served through elderly nutrition programs.

The commodity distribution program established by section 14 requires the use of section 32 funds to finance the purchase of surplus commodities mandated for these programs. Section 32 of the Act of August 24, 1935, appropriates an amount equal to 30 percent of gross customs receipts each year for, among other things, removal of agricultural surpluses, increased domestic food consumption, and food assistance to low-income populations.

If price support commodities (such as dairy and grain products) are not available from Commodity Credit Corporation (CCC) stocks, section 14 also requires the use of CCC funds to purchase these types of commodities as needed for child and elderly nutrition programs. Given the large inventories of CCC stocks, CCC funds have rarely been needed for this purpose.

Commodity assistance fulfills several purposes. It provides commodities to be used in preparing meals for children for the purpose of lowering food costs to schools and improving the nutrition available to school children. It also provides an outlet for agricultural surpluses, purchased under section 32, which are mostly perishable and cannot easily be stored.

If the section 14 authority expired, the Department of Agriculture could use its discretionary authority to finance commodity assistance with section 32 funds, but would not be required to use these funds for this purpose. If section 32 funds were not used, direct appropriations from the general fund of the Treasury would have to be used to finance the purchase of the commodities mandated for child and elderly nutrition programs.

Generally, the majority of mandated commodities for child nutrition programs are purchased with section 32 funds. In fiscal year 1983, $362.3 million of the total $476 million worth of commodity assistance mandated for child nutrition programs was financed with section 32 funds. For fiscal year 1984, $345.4 million of section 32 funds is expected to be used to meet the commodity assistance mandate (under section 6) for child nutrition programs.

STATE ADMINISTRATIVE EXPENSES

Funding to assist States in administering most child nutrition programs is authorized under section 7 of the Child Nutrition Act of 1966. Under this authority, a total of no less than 1.5 percent of the Federal funds expended for the school lunch, school breakfast, child care food, and special milk programs during the second preceding fiscal year is required to be made available to the States for their administrative expenses associated with the operation of these programs. (Administrative expenses are provided separately for the summer food service and WIC programs.)

Using these funds, the Secretary of Agriculture is to allocate to each State an amount equal to between 1 and 1.5 percent of the amount of Federal funds provided to that State for the school lunch, school breakfast, and special milk programs in the second preceding year. For the child care food program, the Secretary is to allocate an amount equal to 20 percent of the first $50,000 in Federal funds spent, 10 percent of the next $100,000 spent, 5 percent of

the next $250,000 spent, and 2.5 percent of Federal funds spent over these amounts by the State for the program in the second preceding fiscal year. Any remaining funds are to be allocated among the States as determined by the Secretary to improve child nutrition programs.

In fiscal year 1983, approximately $45.5 million is estimated to have been spent for Federal funding of State administrative expenses. For fiscal year 1984, CBO estimates that approximately $44.4 million will be needed for State administrative expenses.

States are currently permitted to carry over unused funds to the following fiscal year. The following table outlines the funds received by the various States during fiscal year 1984. The table also shows the estimated carryover of funds from fiscal year 1983.

STATE ADMINISTRATIVE EXPENSE (SAE) FUNDS

State	Initial SAE authority, fiscal year 1984	Estimated carryover, fiscal year 1983[1]
Alabama	1,113,575	719,979
Alaska	283,024	60,149
American Samoa	173,035	101,718
Arizona	533,412	473,784
Arkansas	621,277	367,997
California	3,831,740	0
Colorado	308,552	168,798
Connecticut	489,879	306,966
Delaware	266,424	0
District of Columbia	321,564	183,051
Florida	1,743,089	1,319,925
Georgia	1,444,690	969,466
Guam	215,713	0
Hawaii	211,053	107,692
Idaho	271,417	143,125
Illinois	1,716,938	1,289,926
Indiana	685,840	245,331
Iowa	508,855	502,741
Kansas	425,792	330,765
Kentucky	814,018	66,300
Louisiana	1,040,070	61,654
Maine	332,204	62,588
Maryland	655,659	282,470
Massachusetts	996,511	0
Michigan	1,233,129	735,448
Minnesota	864,606	535,979
Mississippi	1,058,636	500,378
Missouri	614,033	269,642
Montana	344,017	144,559
Nebraska	217,455	62,767
Nevada	253,072	12,495
New Hampshire	274,164	198,719
New Jersey	1,102,577	134,868
New Mexico	457,188	192,069
New York	2,207,871	0
North Carolina	1,382,686	3,967
North Dakota	317,327	140,753
Northern Marianas	215,150	20,000
Ohio	1,471,249	1,562,176
Oklahoma	629,604	279,765
Oregon	292,863	70,506
Pennsylvania	1,476,808	377,036
Puerto Rico	1,099,371	161,458
Rhode Island	274,642	59,583

STATE ADMINISTRATIVE EXPENSE (SAE) FUNDS—Continued

State	Initial SAE authority, fiscal year 1984	Estimated carryover, fiscal year 1983[1]
South Carolina	673,944	89,501
South Dakota	301,728	251,063
Tennessee	735,206	894,919
Texas	2,834,355	2,502,767
Trust Territories	247,062	117,595
Utah	354,382	0
Vermont	257,921	138,945
Virginia	663,946	497,661
Virgin Islands	234,913	68,411
Washington	367,568	285,290
West Virginia	471,459	232,388
Wisconsin	639,289	0
Wyoming	266,455	261,722
Grand Total	42,839,007	18,566,855

[1] Estimated fiscal year 1983 carryover is based on data available as of Mar. 1, 1984. Data was available for the education agencies in all States, but not for the smaller administering agencies in some States. Therefore, the actual amount of fiscal year 1983 carryover is expected to be somewhat greater than indicated.

Source: U.S. Department of Agriculture.

The Committee bill extends the program for 2 years, through fiscal year 1986, without change.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The special supplemental food program for women, infants, and children is authorized through fiscal year 1984 under section 17 of the Child Nutrition Act of 1966. The program is designed to provide supplemental food and nutrition education to low-income pregnant, postpartum, and breastfeeding women, and their infants and children up to age 5 who are at special risk with respect to their physical and mental health resulting from inadequate nutrition or health care. The program is also intended to serve as an adjunct to good health care—during critical times of growth and development—to prevent the occurrence of health problems, and to improve the health status of participating individuals.

Federal funds for the operation of the program are provided in the form of grants-in-aid to State health departments or comparable agencies and Indian tribes. In most other nutrition programs administered by the Food and Nutrition Service, funds are channeled through State educational agencies. However, in the WIC program, typically both State and local administration is handled through health departments and local health agencies and clinics. Funds are distributed by the States to participating local agencies. Local agencies include county public health departments, community health agencies, municipal public health agencies, public or private nonprofit hospitals, community action agencies, and public welfare agencies. Such local agencies must provide access to ongoing health services for program participants before being eligible to receive WIC funds from State agencies.

All 50 States plus the District of Columbia, Puerto Rico, Guam, and the Virgin Islands administer WIC programs. In addition, 31 Indian or tribal groups operate as State administering agencies. In

fiscal year 1983, there were 7,150 clinics operating WIC programs at the local level.

The local agencies are responsible for certifying that applicants are eligible for benefits. The local agencies also distribute the benefits—most often vouchers redeemable for specified items at retail grocery stores—as well as provide nutrition education and referral for appropriate health care.

Before a State may participate in the program, it must submit a program plan to the Department of Agriculture for approval. The plan must detail, among other things, how the State intends to operate the program and include information on names and addresses of those local agencies that plan to participate, a copy of the application form which local agencies will use to determine eligibility, verification methods for certification, plans for detecting dual participation in the commodity supplemental food program and WIC, and plans for program outreach.

Low income individuals at nutritional risk who are eligible for benefits under the program are pregnant women, breastfeeding women for up to 1 year after delivery, nonbreastfeeding women for up to 6 months after delivery, infants up to age 1, and children up to age 5.

Nutritional risk is defined in the law as "(A) detrimental or abnormal nutritional conditions detectable by biochemical or anthropometric measurements, (B) other documented nutritionally related medical conditions, (C) dietary deficiencies that impair or endanger health, or (D) conditions that predispose persons to inadequate nutritional patterns or nutritionally related medical conditions, including, but not limited to, alcoholism and drug addiction." (Sec. 17(b)(8), Child Nutrition Act of 1966.)

The determination of whether a person is a nutritional risk must be made by a competent professional authority, such as a physician, nutritionist, nurse, or other medically-trained health official. Professionals making nutritional risk determinations at the local clinics are typically nutritionists or public health nurses.

Although Federal guidelines are available to professionals in making nutrition risk determinations, there are no uniform, national standards for determining nutritional risk. The Department of Agriculture determines, by regulation, how nutritional risk is to be measured. Such regulations require, at a minimum, that a professional measure an applicant's height—or length in the case of infants—and weight—known in medical terms as anthropometric measurements—and administer a blood test for anemia or iron deficiency. Infants under age 6 months are exempted from the required anemia test.

The following table, prepared by the General Accounting Office, summarizes the Federal guidelines on how nutritional risk is measured for women, infants, and children.

Pregnant, postpartum, and breastfeeding women	Infant or child
Anemia	Anemia
Abnormal pattern of growth such as underweight or obesity	Abnormal pattern of growth such as underweight, obesity, or stunting; including for infants, a birth weight of 2,500 grams or less.
Inadequate nutritional pattern (poor dietary habits)	Inadequate nutritional pattern.

Pregnant, postpartum, and breastfeeding women	Infant or child
High-risk pregnancy or a history of premature births, miscarriages or high-risk pregnancies..	Status as infant (up to 6 mo of age) of a mother who was a WIC participant during pregnancy.

Source: "The Special Supplemental Food Program For Women, Infants, and Children (WIC)—How Can It Work Better?—General Accounting Office, Feb. 27, 1979.

Based on Department of Agriculture regulations, each State sets its own nutritional risk criteria for eligibility using the required data, plus any other factors the State may allow for making the determination. Typical criteria include a condition of being anemic or underweight, or having a history of high risk pregnancies. In assessing an applicant's nutritional needs, medical records and the individual's eating habits are often reviewed for nutrition-related medical problems.

Subject to Federal income limits, income eligibility standards for WIC participation are established by State and local agencies which administer the program. By regulation, such income standards are to be the same as those established by the State or local agency for free or reduced-price health care. However, under Federal law, the maximum income eligibility criteria an agency may set is 185 percent of the poverty guidelines as established by the Office of Management and Budget. Currently, for a family of four, that income amount is $18,315. This income limitation corresponds to the reduced-price meal eligibility limit for the school lunch and school breakfast progams and the child care food program in child care centers. Additionally, by regulation, agencies may not set income eligibility lower than 100 percent of the poverty guidelines. In order to be eligible, the applicant must meet the other nonincome related requirements of the program as well. According to the Department of Agriculture, the most common State income eligibility standard is the federally allowed maximum of 185 percent of poverty, although some States have lower limits. The following States are among those with lower standards for fiscal year 1984:

Percent of poverty	States
175	Tennessee, Montana, Missouri.
172	Maine.
170	Alabama.
160	Washington.
150	Arkansas, Iowa, South Dakota, West Virginia.
127–151	California.
100	Puerto Rico.

Source: U.S. Department of Agriculture.

Income characteristics are not available because the Department of Agriculture does not require States to submit data indicating family income for participants of the program.

Department of Agriculture regulations have created a priority system for States to use in approving new applications when a vacancy occurs in a program which has reached its maximum participation.

First priority individuals are pregnant women, breastfeeding women, and infants determined to be at nutritional risk by a blood test or some other documented medical condition. The second prior-

ity is infants up to 6 months, whose mothers participated in the WIC program during pregnancy or whose mothers did not participate during pregnancy, but were at nutritional risk. The third priority is children at nutritional risk as demonstrated by a blood test or other documented medical condition. The fourth priority is pregnant or breastfeeding women and infants at nutritional risk because of an inadequate dietary pattern. The fifth priority is children with an inadequate dietary pattern. Finally, the sixth priority is nonbreastfeeding postpartum women at nutritional risk.

The following table outlines the priority categories currently being used in 43 States. This data was provided for States for which the information was available.

CASELOAD DISTRIBUTION BY PRIORITY LEVEL BASED ON ESTIMATED DATA RECEIVED FROM 43 WIC STATE AGENCIES

State	Total October participation	Percent of caseload by priority levels					
		Priority I	Priority II	Priority III	Priority IV	Priority V	Priority VI
Alaska	3,464	36	13	42	1	4	4
Arizona	25,868	32.7	20.3	27.4	7.5	5.6	6.5
Arkansas	25,184	32	9	31	10	18	0
California	205,408	32	20	23	6	9	10
Colorado	28,411	28	10	34	7	18	3
Connecticut	46,433	20	11	38	6	22	3
Delaware	6,527	22	29	49	0	0	0
District of Columbia	11,689	20.4	11.4	25	8.4	25.1	9.7
Florida	86,289	32	17	38	2	4	7
Guam	1,486	32	11	36	6	10	5
Hawaii	5,142	32	9	32	11	13	3
Idaho	11,657	21	11	19	16	32	1
Illinois	120,010	34	15	35	4	9	3
Indiana	49,384	25	10	27	8	24	6
Iowa	32,201	15	10	25	10	40	0
Kansas	21,376	35	8	35	9	12	1
Kentucky	59,870	19.5	15.2	29.6	9.3	20.3	6.1
Maine	15,779	22	11	35	8	21	3
Minnesota	53,915	24	9	44	5	15	3
Missouri	61,922	26	16	31	9	11	7
Nebraska	15,693	30.6	11.9	35.8	3.3	10.5	7.8
Nevada	10,792	22	8	33	7	24	6
New Hampshire	12,477	22.3	8.5	37.1	6.5	22.9	2.7
New Mexico	16,126	66	9	25	0	0	0
North Carolina	96,012	27	10	44	3	8	8
North Dakota	11,651	15.2	10.6	28.8	10.2	35.2	
Ohio	161,034	25	9	45	6	10	5
Oklahoma	37,173	25	28	31	2	12	2
Oregon	28,971	46	10	37	2	4	1
Pennsylvania	136,447	29.2	7.6	53.8	2.1	4.6	2.7
Puerto Rico	85,569	43	2	53	0	1	1
South Carolina	67,655	32.2	16	33.5	5.5	7.8	5
South Dakota	9,516	26	10	31	6	18	9
Tennessee	57,500	23	15	37	13	6	6
Texas	171,914	27.5	11.8	31.9	6.8	13.8	8.2
Utah	20,878	29.2	13.9	37.5	2.4	12.2	4.8
Vermont	17,051	11.7	13	12.7	9.4	48.3	4.9
Virginia	57,525	21.1	11.6	24.5	8.1	20.3	14.4
Virgin Islands	6,207	12.9	21.5	48.5	2	3.8	8.3
Washington	34,431	41	13	30	5	9	2
West Virginia	25,389	21	10	51	3	13	2

CASELOAD DISTRIBUTION BY PRIORITY LEVEL BASED ON ESTIMATED DATA RECEIVED FROM 43 WIC STATE AGENCIES—Continued

State	Total October participation	Percent of caseload by priority levels					
		Priority I	Priority II	Priority III	Priority IV	Priority V	Priority VI
Wisconsin	62,366	30	10	45	3	9	3
Wyoming	6,324	27.6	8.3	42.5	3.5	12.8	5.3

Source: U.S. Department of Agriculture, April 3, 1984.

As a vacancy occurs in a particular area, the local agency reviews applications according to this priority system.

Foods available through the program must contain nutrients determined by nutritional research to be lacking in the diets of the program's participants. Specific foods targeted for consumption are milk, cheese, eggs, infant formula, cereals, beans, peanut butter, and fruit or vegetable juices.

The Department of Agriculture has issued regulations that establish food packages reflecting the different health and nutritional needs of the individual participants. These packages provide supplemental foods to assist participants in obtaining an adequate diet. The foods do not provide a complete diet; however, they provide good sources of nutrients lacking in the diets of the participants. Currently, there are packages to provide food for six categories of participants: (1) Infants from birth through 3 months; (2) infants from 4 through 12 months; (3) women and children with special dietary needs; (4) children 1–5 years of age; (5) pregnant and breastfeeding women; and (6) nonbreastfeeding, postpartum women. The local WIC health professional is responsible for tailoring the food packages for individual participants' needs by varying the precise types and quantities of food provided. The following chart indicates the food components of each of the six packages:

FOOD PACKAGES

Food component	Substitute food component	Amount per month
Food package I—Infants 0 through 3 months:		
Formula: Concentrated liquid formula	Equivalent portions of powdered formula of ready-to-feed formula.	6.3 gallons.
Food package II—Infants 4 through 12 months:		
Formula: Concentrated liquid formula	Equivalent portions of powdered formula	6.3 gallons.
Ready-to-feed formula infant cereal		24 oz, dry.
Juice: Infant juice	Equivalent portions of frozen concentrated juice or single strength juice.	1.0 gallons.
Food package III—Children/women with special dietary needs:		
Formula: Concentrated liquid formula	Equivalent portions of powdered formula or ready-to-feed formula.	7.2 gallons.
Cereal (hot or cold)		36 oz, dry.
Juice: Frozen concentrated or single strength		2.25 gallons.
Food package IV—Children 1 to 5 years:		
Milk: Fluid whole, skim or lowfat milk	Equivalent portions of cultured buttermilk, evaporated whole or skim milk, dry whole milk, nonfat or lowfat dry milk, or cheese.	6 gallons.
Eggs: Fresh eggs	Equivalent portions of dried egg mix	2 or 2½ dozen.
Cereal (hot or cold)		2.25 lbs, dry.
Juice: Frozen concentrated	Equivalent portions of single strength	4.5 gallons.
Legumes: Dry beans or peas	Peanut butter	1 or 1.125 lbs.

FOOD PACKAGES—Continued

Food component	Substitute food component	Amount per month
Food package V—Pregnant and breastfeeding women:		
Milk: Fluid whole, skim or lowfat milk	Equivalent portions of cultured buttermilk, evaporated whole or skim milk, dry whole milk, nonfat or lowfat dry milk, or cheese.	7 gallons.
Eggs: Fresh eggs	Equivalent portions of dried egg mix	2 or 2⅓ dozen.
Cereal (hot or cold)		2.25 lbs, dry.
Juice: Frozen concentrated	Equivalent portions of single strength	4.45 gallons.
Legumes: Dry beans or peas	Peanut butter	1 or 1.125 lbs.
Food package VI—Nonbreastfeeding postpartum women:		
Milk: Fluid whole, skim, or lowfat milk	Equivalent portions of cultured buttermilk, evaporated whole or skim milk, dry whole milk, nonfat or lowfat dry milk, or cheese.	6 gallons.
Eggs: Fresh eggs	Equivalent portions of dried egg mix	2 or 2⅓ dozen.
Cereal (hot or cold)		2.25 lbs, dry.
Juice: Frozen concentrated	Equivalent portions of single strength	3 gallons.

Source: Food and Nutrition Service, U.S. Department of Agriculture.

State and local agencies use three general types of delivery systems for operation of the program. Nationally, about 89 percent of participants purchase specified food items from retail stores with vouchers or coupons. Approximately 8 percent receive food by home delivery, and approximately 3 percent pick up food from a distribution center.

Under the most widely used method—voucher or coupon system—vouchers are presented, much like food stamps, at retail food stores, but unlike food stamps may be used only for the specified foods previously listed.

The law requires that 20 percent of total funds appropriated annually for the special supplemental food program be made available for State and local administrative expenses. Administrative costs are defined by law to include, but are not limited to, all costs for certifying an applicant's income and nutritional eligibility for the program, food delivery costs (including costs of printing vouchers), nutrition education, outreach for new applicants, and startup costs for new programs. In fiscal year 1983, approximately $236.3 million of total program costs of $1.18 billion were spent for administration of the program. In general, not less than one-sixth of the funds expended for administrative expenses must be used for nutrition education.

The 20-percent figure represents a national amount set aside for administrative purposes. Individual States and agencies, primarily Indian tribes, receive varying amounts. The following table outlines administrative expenses relative to benefits issued by the State agencies:

Administrative grant to total grant

State agency	*Percent*
Northeast:	
Connecticut	20.24
Maine	22.51
Massachusetts	19.21
New Hampshire	23.54
New York	19.82

Administrative grant to total grant—Continued

State agency	
Rhode Island	25.41
Vermont	25.93
Indian Twns (ME)	33.32
Pleasant Point (ME)	33.33
Penobscot (ME)	33.33
Seneca Nation (NY)	33.33
Subtotal	20.50
Mid-Atlantic:	
Delaware	23.32
Maryland	20.27
New Jersey	21.26
Pennsylvania	19.83
Puerto Rico	12.31
Virginia	18.85
Virgin Islands	22.73
West Virginia	21.31
District of Columbia	24.08
Subtotal	18.74
Southeast:	
Alabama	21.22
Florida	19.55
Georgia	18.41
Kentucky	19.13
Mississippi	24.01
North Carolina	19.08
South Carolina	19.51
Tennessee	18.94
Seminoles (FL)	40.99
Miccosukee (FL)	31.66
Choctaw MS (MS)	28.11
E Cherokee (NC)	25.93
Subtotal	19.87
Midwest:	
Illinois	19.53
Indiana	19.13
Michigan	20.08
Minnesota	21.89
Ohio	22.18
Wisconsin	20.06
Subtotal	20.57
Southwest:	
Arkansas	19.79
Louisiana	20.09
New Mexico	21.26
Oklahoma	19.89
Texas	19.18
Acoma (NM)	25.92
Acoma-Canoncito-Laguna (NM)	26.43
Eight Northern Pueblos (NM)	23.98
Isleta (NM)	32.06
Santo Domingo (NM)	25.93
S Sandoval (NM)	25.93
San Felipe (NM)	25.93
Wichita—Caddo—Delaware (OK)	25.80
Choctaw (OK)	25.72
Cherokee (OK)	21.61
Chickasaw (OK)	25.93

Administrative grant to total grant—Continued

State agency	
Tonkawa (OK)	25.93
Potawatomi (OK)	25.63
Zuni (NM)	25.74
Subtotal	19.89
Mountain plains:	
Colorado	21.52
Iowa	19.25
Kansas	22.05
Missouri	19.06
Montana	23.63
Nebraska	24.28
North Dakota	25.30
South Dakota	25.37
Utah	22.55
Shoshone/Arapahoe (WY)	26.44
Ute Mtn Tribe (CO)	28.38
Winnebago (NE)	25.08
Cheyenne Rv (SD)	24.12
Rosebud (SD)	23.34
Stand Rock (ND)	23.54
Fort Berthold (ND)	25.93
Wyoming	24.27
Subtotal	21.49
Western:	
Alaska	27.71
Arizona	20.72
California	16.87
Hawaii	25.35
Idaho	22.44
Nevada	21.86
Oregon	21.06
Washington	21.06
Intertribal Council of Nevada	25.51
Maniilaq (AK)	24.81
Navajo Nati (AZ)	18.24
Guam	26.29
Subtotal	18.60
National	19.86

Source: U.S. Department of Agriculture.

In fiscal year 1983, a monthly average of 2.5 million women, infants, and children participated in the special supplemental food program. Approximately 21.4 percent of the participants were women, 28.8 were infants up to age 1, and the remaining 49.9 percent of the participants were children between the ages of 1 and 5 years. According to the Department of Agriculture, currently, one out of every five infants receives WIC benefits.

The following chart shows the growth of program participation from 1974 to 1983:

WIC PROGRAM PARTICIPATION, 1974–83

Fiscal year	Average monthly participation	Women	Infants	Children	Percentage of children participating
1974	87,700	17,100	26,300	44,300	50
1975	344,100	55,000	103,100	186,000	54
1976	520,200	81,100	147,700	291,400	56
Transition quarter	623,900	108,400	153,200	362,300	58
1977	848,300	165,200	212,800	470,300	55
1978	1,180,100	319,700	308,700	632,400	53
1979	1,480,600	311,400	389,700	779,500	52
1980	1,910,400	411,200	506,400	992,800	52
1981	2,117,800	445,300	584,900	1,208,000	51
1982	2,187,700	447,400	622,700	1,087,700	50
1983	2,536,965	541,826	729,933	1,265,207	50

Source: Food and Nutrition Service, U.S. Department of Agriculture.

The following chart shows funding for the program from 1974–1983:

WIC PROGRAM FUNDING, 1974–83

Fiscal year	Program level (millions)	Average monthly cost per participant	
		Food package	Administrative
1974	$10.4	$15.68	$4.10
1975	89.3	18.58	3.04
1976	155.5	22.05	2.86
Transition quarter	48.4	22.40	3.48
1977	256.5	20.86	4.33
1978	385.7	22.43	4.81
1979	527.3	24.19	5.49
1980	712.3	25.44	5.46
1981	887.6	27.86	7.14
1982	958.7	29.22	7.25
1983	1,177.2	29.68	7.35

Source: Food and Nutrition Service, U.S. Department of Agriculture.

The following table shows participation and costs for States during fiscal year 1983:

SPECIAL SUPPLEMENTAL FOOD PROGRAM (WIC), FISCAL YEAR 1983

State	Number of clinics providing benefits	Participation[1]				Program costs (thousands)[2]
		Women	Infants	Children	Total	
Alabama	111	9,529	18,349	28,065	55,943	22,800
Alaska[3]	16	891	820	1,428	3,139	2,111
Arizona[3]	130	11,004	11,294	15,733	38,031	19,555
Arkansas	96	4,253	7,515	11,127	22,895	12,376
California	476	63,404	62,324	61,509	187,237	97,548
Colorado[3]	68	6,099	5,159	13,727	24,985	11,164
Connecticut	82	6,219	8,721	26,826	41,766	19,300
Delaware	21	1,022	1,482	2,290	4,794	2,228
District of Columbia	17	2,048	2,828	4,689	9,565	4,065
Florida[3]	242	15,621	26,490	33,279	75,390	34,315
Georgia	251	16,183	24,084	36,996	77,263	37,097
Guam	3	98	63	103	264	274
Hawaii	12	1,098	1,200	2,037	4,335	2,919

SPECIAL SUPPLEMENTAL FOOD PROGRAM (WIC), FISCAL YEAR 1983—Continued

State	Number of clinics providing benefits	Participation[1]				Program costs (thousands)[2]
		Women	Infants	Children	Total	
Idaho	58	2,234	2,834	6,036	11,104	5,594
Illinois	140	19,891	34,523	44,324	98,738	43,202
Indiana	71	8,634	12,279	21,000	41,913	17,374
Iowa	135	4,956	6,675	18,563	30,194	11,355
Kansas	101	3,567	5,866	9,370	18,803	8,153
Kentucky	148	10,973	15,608	26,300	52,889	25,621
Louisiana	109	20,602	22,441	34,605	77,648	37,893
Maine[3]	91	2,974	3,510	8,837	15,321	6,419
Maryland	254	10,174	12,302	24,776	47,252	17,310
Massachusetts	94	8,881	11,671	21,898	42,450	19,433
Michigan	185	19,824	26,611	45,605	92,040	37,770
Minnesota	223	7,456	9,046	29,199	45,701	18,735
Mississippi[3]	134	10,452	21,898	39,898	72,248	26,364
Missouri	101	12,309	16,969	25,569	54,847	23,917
Montana	39	2,256	3,156	6,061	11,473	4,779
Nebraska	112	2,874	3,912	7,374	14,160	5,727
Nevada[3]	38	2,192	2,814	6,300	11,306	5,107
New Hampshire	122	2,030	2,416	6,940	11,386	5,080
New Jersey	265	9,719	13,717	29,128	52,564	22,352
New Mexico[3]	99	5,809	6,025	3,856	15,690	7,911
New York[3]	438	42,703	60,479	113,073	216,255	97,879
North Carolina[3]	251	13,937	24,456	46,643	85,036	36,705
North Dakota[3]	88	1,938	2,747	7,209	11,894	5,215
Ohio	215	23,235	32,261	61,020	116,516	44,248
Oklahoma[3]	136	10,286	14,124	19,593	44,003	21,948
Oregon	104	9,606	6,927	10,280	26,813	13,143
Pennsylvania	410	21,458	29,060	64,746	115,264	41,290
Puerto Rico	99	9,856	14,375	37,816	62,047	33,202
Rhode Island	20	2,588	2,803	7,623	13,014	5,843
South Carolina	147	10,587	18,676	30,358	59,021	27,718
South Dakota[3]	70	2,217	2,502	6,162	10,881	4,699
Tennessee	126	11,783	18,080	24,744	54,607	26,757
Texas	227	31,624	44,241	64,926	140,791	63,599
Utah	47	4,170	4,875	8,348	17,393	7,736
Vermont	143	3,243	2,743	10,775	16,761	6,985
Virginia	156	12,769	16,168	30,768	59,705	24,433
Virgin Islands	12	1,277	1,458	2,774	5,509	3,411
Washington	88	8,537	8,074	13,082	29,693	14,160
West Virginia	62	4,013	5,754	15,340	25,107	11,214
Wisconsin	241	9,219	14,052	32,709	55,980	20,994
Wyoming[3]	26	1,369	1,402	3,789	6,560	2,944
Adjustments	—	—	—	—	—	51,472
Total	7,150	541,691	729,859	1,265,234	2,536,784	[4] 1,181,443

[1] Average monthly participation.
[2] Administrative and food costs from the FNS–498.
[3] Includes Indian agencies.
[4] Excludes $2,947,000 for program evaluation.

Source: U.S. Department of Agriculture.

The Committee bill reauthorizes the WIC program for 2 additional years. the authorization level for fiscal year 1985 is $1.471 billion; for fiscal year 1986, it is $1.525 billion. These levels are those estimated by the Congressional Budget Office to be sufficient to continue operating the program at "current services" levels. Based on CBO's current assumptions regarding the annual rate of food price inflation (5.8 percent in fiscal year 1985 and 3.7 percent in fiscal year 1986), the WIC authorization levels would support about

3 million participants during both fiscal years. (The Department of Agriculture estimates that the caseload level at the end of fiscal year 1983 was 2.963 million participants.)

NUTRITION EDUCATION AND TRAINING PROGRAM

The nutrition education and training program (NET) is authorized under section 19 of the Child Nutrition Act of 1966. This program provides grants to State educational agencies for comprehensive nutrition education and training programs. States are to use the funds for nutrition education and training of teachers and food service personnel, for the food service management training of school food service personnel, for developing classroom material and curricula on nutrition, and for teaching children about the nutritional value of foods and the relationship between food and health. Current law specifies that grants to States are to be set at an amount equal to the higher of either 50 cents for each child enrolled in school in the State, or $75,000. However, if appropriations are insufficient to pay this amount, the grant is to be ratably reduced. The Department has established a $50,000 minimum grant. The current authorization permits up to $5 million to be appropriated for this program. In fiscal year 1983, $5 million was allocated among the States for the NET program, and a similar amount is expected to be spent for this program in fiscal year 1984. The following table shows the distribution of NET funding during fiscal year 1983:

Distribution of funds under the nutrition education and training program, fiscal year 1983

[In thousands of dollars]

State	
Alabama	$77
Alaska	50
American Samoa	50
Arizona	50
Arkansas	50
California	430
Colorado	51
Connecticut	58
Delaware	50
District of Columbia	50
Florida	160
Georgia	108
Guam	0
Hawaii	50
Idaho	50
Illinois	219
Indiana	106
Iowa	54
Kansas	50
Kentucky	68
Louisiana	87
Maine	50
Maryland	79
Massachusetts	108
Michigan	190
Minnesota	77
Mississippi	50
Missouri	90
Montana	50

State	
Nebraska	$50
Nevada	50
New Hampshire	50
New Jersey	137
New Mexico	0
New York	318
North Carolina	113
North Dakota	50
Northern Marianas	50
Ohio	205
Oklahoma	56
Oregon	50
Pennsylvania	212
Puerto Rico	69
Rhode Island	50
South Carolina	62
South Dakota	50
Tennessee	86
Texas	273
Trust Territory	50
Utah	50
Vermont	50
Virginia	95
Virgin Islands	50
Washington	75
West Virginia	50
Wisconsin	86
Wyoming	0
Total	$5,000

Source: U.S. Department of Agriculture.

The Committee bill reauthorizes the program for 2 years at the existing level of $5 million annually.

Committee Consideration

LEGISLATION INTRODUCED

Four comprehensive bills dealing with child nutrition legislation and four other bills dealing with individual child nutrition issues or programs were introduced and referred to the Committee.

Chairman Helms introduced S. 2545, the Nutrition Programs Reform Act, on April 9, 1984. The bill addressed the five expiring child nutrition programs. The bill was intended (1) to reauthorize three of the expiring programs for 1 year (while allowing two to expire at the end of the fiscal year), (2) to improve the targeting of tax dollars in the WIC and summer food service programs, (3) to reduce or eliminate Federal funding for certain administrative expenses, and (4) to permit greater State flexibility in the administration of the programs.

Chairman Helms also introduced S. 1994, the Day Care Home Integrity Act, on October 25, 1983, to reinstate a "means test" for Federal reimbursements in the day care home portion of the child care food program.

Senator Huddleston introduced S. 1913 on September 30, 1983. As originally introduced, the bill would among other things, lower the cost to the student of a reduced-price lunch from 40 cents to 25 cents and lower the cost to the student of a reduced-price breakfast from 30 cents to 15 cents (with corresponding increases in the Fed-

eral reimbursement rates), and improve the nutrient content of breakfasts served by providing an additional reimbursement of 6 cents for each breakfast served. Senator Huddleston introduced a substitute amendment to S. 1913 on April 30, 1984, which, in addition to containing most of the original provisions and a few additional modifications, also provided a 4-year reauthorization of the five expiring programs.

Senator Dole introduced S. 2617, the Child Nutrition Reauthorization Act of 1984, on May 1, 1984. The bill proposed to reauthorize the five expiring programs for 4 years, and to make some modifications in child nutrition programs, primarily the WIC program.

The Chairman also introduced on April 26, 1984, the child nutrition proposals of the Administration in the form of S. 2599, the Child Nutrition Amendments of 1984. Among other things, the Administration's bill proposed to establish, in lieu of the existing summer food service and child care food programs, a nonschool food grant program. A 1-year reauthorization was proposed for the WIC and commodity distribution programs and State administrative expenses.

Senator Riegle introduced a bill on January 31, 1983, S. 302, to again permit participation in the special milk program in schools that already have other federally subsidized meal service programs.

Senator Symms introduced S. 1273 on May 12, 1983. The bill would revise and expand the school lunch pilot project study on cash or commodity letters of credit alternatives to the current commodity assistance program.

Senator Pell introduced S. 1571 on June 29, 1983. The bill specifies certain types of foods that could and could not be served in the school lunch program.

HEARINGS

Six Committee-sponsored hearings conducted early in 1984 dealt in whole or in part with the five expiring child nutrition programs or other child nutrition programs.

January 26

The Subcommittee on Nutrition, chaired by Senator Dole, held a joint hearing with two House subcommittees to review the recommendations of the President's Task Force on Food Assistance, on Thursday, January 26, 1984. The House subcommittees were the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition of the Agriculture Committee and the Subcommittee on Elementary, Secondary, and Vocational Education of the Education and Labor Committee.

Eight members of the task force testified. They were Dr. J. Clayburn LaForce, Dean, Graduate School of Management, University of California, Los Angeles, California, Chairman of the task force; Mr. Kenneth W. Clarkson, Director, Law and Economics Center, University of Miami, Coral Gables, Florida; Ms. Erma Davis, Director, George Washington Carver Association, Peoria, Illinois; Mr. John D. Driggs, Chairman of the Board, Western Savings and Loan Association, Phoenix, Arizona, and President of Second Harvest National Food Bank Network; Mr. Edward J. King, business con-

sultant and former Governor of Massachusetts, Winthrop, Massachusetts; Ms. Betsy Brian Rollins, Director, St. Philip's Community Kitchen, Durham, North Carolina; Ms. Sandra Smoley, President, National Association of Counties, and Supervisor, Sacramento County, California; and Ms. Donna Carlson West, Director of Government Relations, Crafco, Inc., Chandler, Arizona. Also testifying was Dr. John Raisian, Executive Director of the task force.

Much of the testimony focused on the central recommendation of the task force that States have the option of consolidating some or all Federal food assistance programs—child nutrition programs and the food stamp program—into autonomous block grant programs. According to the task force report, this would permit States (1) more autonomy in allocating funds among various food assistance programs, (2) greater discretion in administering programs, and (3) greater responsibility for assuring that funds are properly targeted toward those in greatest need. The task force noted that the ability and desire of communities to participate in the school breakfast program, the child care food program, the summer food service program, and the elderly food program vary markedly across and within States.

Most of the recommendations with regard to individual programs focused on the food stamp program. However, the task force recommended that eligibility for Federal subsidies to day care homes be restricted to homes serving children in low income areas, for example to areas where 50 percent or more of school lunches are served free or at a reduced price. Subsidies for children in other areas could be established on the basis of means-testing as is the case for programs operated by child care centers. According to the task force report, "presently the benefits of this program are not effectively targeted toward lower-income children, and a high proportion of recipient children come from households substantially above the poverty line". With regard to WIC, the task force recommended reauthorizing the WIC program at current caseload levels for 1 year.

Senator Edward Kennedy testified, focusing primarily on the food stamp program. He expressed opposition to the autonomous food program, or block grant, recommendation of the task force, and urged increased funding for WIC and other child nutrition programs.

Also, testifying were Mr. Richard H. Fulton, Mayor of Nashville, Tennessee, and President of the U.S. Conference of Mayors, and Mr. Richard Berkley, Mayor of Kansas City, Missouri, who was a member of the President's Task Force on Food Assistance. Their testimony focused on opposition to the block grant, and in particular the negative aspects associated with including the food stamp program in such a block grant.

Governor Bruce Babbitt, of Arizona, testified in behalf of the National Governors Association. His testimony also concentrated on the task force recommendations with regard to the food stamp program, and opposition to the block grant, especially for the food stamp program.

Dr. Alvin M. Mauer, Professor of Medicine and Pediatrics, University of Tennessee, Memphis, testified on behalf of the American Academy of Pediatrics, of which he is the chairman of the Commit-

tee on Nutrition. Dr. Mauer also opposed the block grant recommendation of the task force. With regard to child nutrition programs, he indicated that reauthorization of the WIC program at current caseload levels was "much too rigid". He also expressed disagreement with geographical restrictions on the day care home portion of the child care food program.

Mr. Robert Greenstein, Director of the Center on Budget and Policy Priorities, and former Administrator of the Food and Nutrition Service during the Carter Administration, expressed opposition to the block grant. His testimony focused on objections to various recommendations and findings with regard to the food stamp program. He said that the task force did not adequately analyze the impacts of budget reductions in the child nutrition programs.

March 12

The Subcommittee on Nutrition held a hearing, chaired by Senator Dole, on Monday, March 12, 1984, on the reauthorization of child nutrition programs.

Representing the Administration was Mr. John Bode, Deputy Assistant Secretary for Food and Consumer Services, U.S. Department of Agriculture. Mr. Bode outlined the position of the Administration with regard to the five expiring child nutrition programs and expressed the Administration's opposition to provisions being considered at the time in the House and Senate which would increase Federal spending. Specifically, Mr. Bode expressed opposition to S. 1913 which he said was aimed at reversing a number of changes adopted by Congress as part of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35. Mr. Bode stated that the legislation "would use taxpayer's money to provide new entitlement funding for those well above the poverty line. At a time of unparalleled need to control Federal spending, we cannot justify this bill, which would add $180 million to the deficit in 1985 alone."

Ms. Gene White, Chairman, Legislative and Public Policy Committee, American School Food Service Association, and Director, Child Nutrition and Food Distribution Programs, California State Department of Education, Citrus Heights, California, and Ms. Betty Bender, President, American School Food Service Association, and Director of Child Nutrition, Dayton, Ohio, presented the organization's views on child nutrition legislation. Specifically, they indicated support for S. 1913 and similar House-passed legislation, H.R. 4091. They supported lowering the cost of a reduced-price lunch from 40 cents per meal to 25 cents per meal and lowering the cost of a reduced-price breakfast from 30 cents per breakfast to 15 cents, and increasing the Federal reimbursements for such meals by 15 cents per meal. They also supported increased reimbursements for all school breakfasts.

Ms. Sharon Evans, Director of Food Service for the Kansas City, Kansas Public Schools, testified that the present lunch program is operating well, and that increases in Federal reimbursement rates are not needed.

Ms. Patricia Maltz, Chief Executive Officer, Quality Child Care, Inc., Mound, Minnesota, testified to the importance of day care and its relation to the child care food program and specifically the day care home portion of that program. She testified against reinstat-

ing a means test to determine Federal reimbursements for children served through day care homes.

Ms. Nancy Van Domelen, President of the Board of Directors, Wildwood Child Care Programs, Denver, Colorado, also testified to the importance of day care and in opposition to S. 1994, a bill to reinstate a means test for day care homes.

Mr. Armand Ball, Jr., Executive Vice President, of American Camping Association, Martinsville, Indiana, testified to the importance of the summer food service program, and particularly the participation of camps in that program. He also expressed opposition to the Administration's proposal to provide a nonschool food program grant in lieu of the existing summer food service and child care programs.

Ms. Anita Ellis, Assistant Director, West Virginia Nutrition Education and Training Program, testified on behalf of the Society for Nutrition Education. She indicated support for the existing nutrition education and training program.

March 15

The full Committee held a hearing, chaired by Chairman Helms and Senator Cochran on Thursday, March 15, 1984, on evaluating the special supplemental food program for women, infants, and children.

Ms. Eleanor Chelimsky, Director, Program Evaluation and Methodology Division, General Accounting Office, reviewed the GAO's findings with respect to evaluations of the WIC program. (See "WIC Evaluations Provide Some Favorable But No Conclusive Evidence On The Effects Expected For The Special Supplemental Program For Women, Infants, And Children", January 30, 1984.) She noted that the findings of the GAO report are "that the information available from the WIC evaluations we reviewed is insufficient for making general or conclusive judgments about whether the WIC program is effective or ineffective overall. On the other hand, the information does indicate the likelihood, in a limited way, that WIC may have positive effects in some areas".

The Committee also heard from Dr. David Rush who is heading the National WIC Evaluation under contract with the Department of Agriculture. Dr. Rush is a Professor of Pediatrics, and of Obstetrics and Gynecology at Albert Einstein College of Medicine, Bronx, New York. Dr. Rush noted in his testimony, and in a subsequent letter to the Chairman, that his study is not yet complete and has not yet been reviewed by the Food and Nutrition Service or the advisory panel of consultants. Dr. Rush also observed that research into the impact of the WIC program is difficult to measure and outlined some of the limitations and difficulties of such efforts.

The Committee also heard from Dr. David M. Paige, Professor of Maternal and Child Health at the Johns Hopkins University School of Hygiene and Public Health, Baltimore, Maryland. Dr. Paige spoke in favor of reauthorization of the WIC program, and reviewed the findings of various studies which he indicated demonstrated the positive impact of the WIC program.

The Committee also heard from three witnesses who are involved with actual program administration—two at the State level and one from the local level. Ms. Patricia K. Wilkins, Chief, Office of

Maternal and Child Health Services, Olympia, Washington, emphasized her support for the program and spoke about the need to improve sound management principles in the program, particularly with regard to planning and projections.

Also testifying was Dr. Bedford H. Berrey, Assistant State Health Commissioner, Office of Health Care Programs, State of Virginia. Dr. Berrey testified to the effectiveness of the program in Virginia, and noted that some aspects of program administration seem to be "an excessive concern with minutiae and process".

Ms. Gaye Joyner, Director, Bureau of Nutrition, Jefferson County Department of Health, Birmingham, Alabama, indicated her support for a 4-year reauthorization of the WIC program and opposition to any reduction in the number of people participating in the program.

April 4

The Committee held a hearing, chaired by Chairman Helms, on Wednesday, April 4, 1984, on child nutrition programs, except for WIC which had been covered in the March 15 hearing.

The Committee heard from Mrs. Sharon L. Montgomery and her daughter, Mrs. Nancy Sauder, who provide home day care in Greeley, Colorado. They urged the elimination of Federal reimbursements for meals served in for-profit entities—certain child care centers and most day care homes. They noted that the President's Task Force on Food Assistance had recommended tightening the eligibility of day care homes, but felt that total elimination of Federal reimbursements for these for-profit homes was warranted.

Mrs. Gerrie Smith of Fairfax County, Virginia, recommended the adoption of S. 1994, to reinstate a means test in the day care home portion of the child care food program. Mrs. Smith, who is a member of the Child Care Advisory Council for Fairfax County, noted that the establishment of a means test would provide greater targeting of Federal dollars to the poor, rather than to children from families with higher incomes.

Several other witnesses addressed provisions dealing with school food service programs. Ms. Susan Brogdon, President of the Texas School Food Service Association, and director of the Castleberry School District of Fort Worth, Texas, urged the Committee to permit "offered versus served" in the breakfast program. This provision, already in effect for the lunch program, permits students to refuse one or two menu items without affecting the school's reimbursement for the meal. She also stated that she believed there was a need for greater initial documentation for free and reduced-price meal applications.

The Committee also heard from Ms. Elizabeth Cagan, Chief Administrator, Office of School Food and Nutrition Services, New York City Board of Education. Ms. Cagan indicated that past changes have not unduly harmed the school lunch program in New York City and, accordingly, she did not see a pressing need for an increase in Federal reimbursements. She urged that area eligibility, rather than individual applications, be permitted in areas with a continuously high percentage of poverty children.

Mr. Marshall Matz, counsel for the American School Food Service Association, reiterated the organization's support for S. 1913.

Mr. James Bovard, an investigative journalist in Washington, D.C., urged that "all of our food programs need to be overhauled". Mr. Bovard contended that although the Federal Government's expenditures for food programs have increased dramatically in recent years, "there has been little or no effort to determine each programs' nutritional benefits, and weigh them against the costs to taxpayers".

Ms. Helen Blank of the Children's Defense Fund and Mr. Edward M. Cooney of the Food Research and Action Center testified as representatives of the Child Nutrition Forum. They expressed support for increased spending for child nutrition programs as provided in S. 1913. Ms. Blank emphasized the importance of child care food program funding for family day care homes.

April 9

The Subcommittee on Nutrition held a hearing on the WIC program, chaired by Senator Boschwitz, a member of the Subcommittee, and Senator Dole, the Subcommittee Chairman, on Monday, April 9, 1984.

The National Association of WIC Directors was represented by its President, Mr. C. Richard Blount, Director of the Missouri WIC Program, Missouri Division of Health, Jefferson City, Missouri. Mr. Blount urged that the WIC authorization be made permanent, that no further targeting of program benefits be implemented, and that administrative costs be no less than 20 percent of the total grant, as at present.

Dr. Alvin M. Mauer, Professor of Medicine and Pediatrics, University of Tennessee, Memphis, Tennessee, testified on behalf of the American Academy of Pediatrics. Dr. Mauer urged reauthorization of the WIC program for 3 years, and emphasized what he believed to be the preventative nature of the program.

Dr. Stanley N. Gershoff, Dean, School of Nutrition, Tufts University, Medford, Massachusetts, expressed his support for the program, and indicated his belief that existing data "are sufficient to make a presumption that the WIC program is effective".

Also testifying was Dr. Bailus Walker, Commissioner, Department of Public Health, Boston, Massachusetts. Dr. Walker reviewed the results of a 1983 Massachusetts Nutrition Survey which he felt indicated nutritional-related problems among low income children in Massachusetts. He noted that "while evaluations of WIC's effectiveness in achieving its health goals are not entirely conclusive, we believe that the evidence, particularly in regard to reduction in low birthweight, is definitely strong enough to support the need to maintain the program".

Ms. Eloise Jenks, Executive Director, WIC Program, Public Health Foundation of Los Angeles County, Monterey Park, California, noted that her county is encouraging WIC mothers to breastfeed their babies because, she said, it is the best nutrition and also less expensive than infant formula.

Ms. Diane Dimperio, Associate in Obstetrics and Gynecology and Director of Nutrition Services, University of Florida, Gainesville, Florida, said that "the lack of good methodology of evaluation studies should not be interpreted as a lack of effectiveness of the program". She indicated that "WIC operates best when it is fully inte-

grated with health care, so cuts in funds for maternal and child health decrease the effectiveness of the WIC program".

Mr. Robert Greenstein, Director, Center on Budget and Policy Priorities, urged that the authorization levels be increased above current levels in order to increase program participation. He also expressed opposition to lowering administrative costs below 20 percent and to allowing States to fold WIC and other nutrition programs into a block grant, as was suggested by the President's Task Force on Food Assistance.

April 25

The Committee conducted a hearing, chaired by Chairman Helms, on April 25, 1984, to review all programs within the Food and Nutrition Service of the U.S. Department of Agriculture, including not only the child nutrition, but also the food stamp and commodity distribution programs. Comments regarding child nutrition programs follow:

Ms. Mary Jarratt, Assistant Secretary for Food and Consumer Services presented the Administration's views. The Administration supported 1-year reauthorizations for three child nutrition programs, she noted, because of ongoing studies which may present evidence for changes in the future. She said that the existing formula for State administrative expenses creates "inter-state inequities" which deserve careful study before a lengthier authorization is prudent. She outlined the Administration's proposal to strengthen procedures for verifying eligiblity for free and reduced-price meals and to establish separate indexing for reduced-price meal reimbursements and meal charges. She stressed the importance of establishing a nonschool program grant in lieu of the existing summer food and child care food programs and recommended eliminating the nutrition education and training program. She also outlined the need to eliminate the requirement that the Federal Government directly administer various child nutrition programs in certain States where the State government does not operate the programs. With regard to the WIC program, she indicated the Administration's desire to extend the program for 1-year, reduce administrative funding from 20 to 18 percent, eliminate program reallocations, and eliminate the requirement that one-sixth of administrative funds be spent on nutrition education.

Representing the Office of Inspector General within the Department of Agriculture were Thomas J. Burke, Assistant Inspector General for Investigations and Donn E. Adkisson, Assistant Inspector General for Audit. They indicated the OIG's support for the Administration's proposals to eliminate direct Federal administration of child nutrition programs and to transfer child care food program funding for Head Start programs to the Head Start Program account. Mr. Adkisson indicated the Inspector General's continuing support for reinstituting a "means test" to determine Federal reimbursements on behalf of children in day care homes. He also stated that the Office of Inspector General was commencing an audit of the summer food service program in four States.

Mr. Brian P. Crowley, Senior Associate Director, Resources, Community, and Economic Development Division, General Accounting Office, outlined ongoing work being done on the WIC program.

GAO's testimony indicated that "current program rules do not require or even encourage targeting except under circumstances where a State or local agency program has attained maximum caseload". He added "some local agency directors told us that the pressures to enroll participants quickly and to maintain participation . . . often turn WIC into a 'numbers game' where the relative health risk or need of those served becomes less important than simply filling the available caseload slots". He also stated that "some WIC officials agreed that a more stable funding approach—including authority for States and WIC agencies to carry over part of the program funds, without loss, from one year to the next—would provide them needed management flexibility and opportunity for targeting initiatives".

Mr. Crowley noted that "WIC regulations do not require documentation of income eligibility". Mr. Crowley also reviewed the results of a GAO report on school lunch participation. (See "Participation In The National School Lunch Program", March 30, 1984.) The report pointed out that student participation in the program declined from 27 million in fiscal year 1979 to 23.1 million in fiscal year 1983 primarily because fewer students ate full-price lunches. He also noted that the GAO is undertaking a review to examine, compare, and evaluate Federal and State procedures for authorizing WIC and food stamp retailers.

MARKUP

The Committee met on Wednesday, May 2, to begin deliberations on the various child nutrition bills. At the outset of the meeting, Senator Dole, Chairman of the Nutrition Subcommittee, suggested that the markup session be rescheduled for a later date to allow for informal discussions among the Senators to resolve the issues in the bills that had been introduced and referred to the Committee. Senator Dole also encouraged other Senators to consider dealing only with the five expiring programs rather than with other child nutrition programs for which changes were being proposed. He proposed that the Committee resume markup on Wednesday, May 16. After discussion, the Chairman and other Senators present concurred with that suggestion.

The Committee met again on May 16. Following a general discussion of the differences between the child nutrition proposals, Senator Huddleston proposed that the Committee report a bill simply reauthorizing for 4 years the five expiring programs at "current services" levels, as estimated by the Congressional Budget Office. Senator Dole, Chairman Helms, and others suggested a shorter authorization period of 2 years, and which was agreed to by the Committee.

The authorization levels for the WIC program were set at $1,471,000,000 for fiscal year 1985 and $1,525,000,000 for fiscal year 1986. The authorization level for the nutrition education and training program was continued at $5 million annually, the same as current law. Funding as necessary for the summer food, commodity distribution, and State administrative expenses programs was also authorized.

Several Senators expressed a concern about the need to expedite Committee consideration on the reauthorization legislation. Chairman Helms noted that additional consideration of appropriate authorization levels may be necessary to ensure that the legislation is in compliance with the congressional budget resolution, which had not yet been adopted by the Senate when the Committee ordered the bill reported. (On May 17, the Senate adopted the budget resolution for fiscal year 1985. A Senate-House conference will work out a final budget resolution.)

By voice vote, the Committee ordered reported to the Senate an original bill to extend the five expiring child nutrition programs for 2 additional years with a recommendation that it pass.

Section-by-Section Analysis

SHORT TITLE

Section 1 provides that the bill may be cited as the "National School Lunch and Child Nutrition Programs Reauthorization Act of 1984".

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

Section 2 amends section 13(p) of the National School Lunch Act to extend through September 30, 1986, the authorization for appropriations in the sums necessary to carry out the summer food service program for children under that section. The current authorization of such sums as are necessary to carry out the program expires September 30, 1984.

COMMODITY DISTRIBUTION PROGRAM

Section 3 amends section 14(a) of the National School Lunch Act to extend through September 30, 1986, the requirement that the Secretary of Agriculture use funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or Commodity Credit Corporation funds if stocks of the Corporation are not available, to purchase agricultural commodities and their products for donation to maintain the annually programmed level of assistance for programs carried out under the National School Lunch Act, the Child Nutrition Act of 1966, and title III of the Older Americans Act of 1965. This requirement currently expires September 30, 1984.

STATE ADMINISTRATIVE EXPENSES

Section 4 amends section 7(i) of the Child Nutrition Act of 1966 to extend through September 30, 1986, the authorization for appropriations in the sums necessary for payments to the States for their administrative costs of operating the school lunch, breakfast, special milk, and child care food programs. The current authorization of such sums as are necessary to carry out this program expires September 30, 1984.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

Section 5 amends section 17 of the Child Nutrition Act of 1966 to extend the authorization for appropriations and other expiring program requirements of the special supplemental food program for women, infants, and children (WIC).

Specifically, paragraph (1) of section 5 amends section 17(c)(2) of the Child Nutrition Act of 1966 to extend through September 30, 1986 (1) the authority of the Secretary of Agriculture to make cash grants to State agencies for administering the special supplemental food program and (2) the requirement that local agencies that apply to participate in or expand the program must immediately be provided with the necessary funds to carry out the program. These provisions currently are applicable through September 30, 1984.

Paragraph (2) of section 5 amends section 17(g) of the Child Nutrition Act of 1966 to extend through September 30, 1986, the authorization for appropriations to carry out the special supplemental food program. The authorization levels for the program would be established at $1,471,000,000 for fiscal year 1985 and $1,525,000,000 for fiscal year 1986.

Paragraph (3) of section 5 amends section 17(h)(2) of the Child Nutrition Act of 1966 to extend through fiscal year 1986 the requirement that the Secretary of Agriculture allocate administrative funds to each State agency administering the special supplemental food program on the basis of a formula determined by the Secretary. Under this provision, the formula is to include a minimum amount and be designed to take into account the varying needs of State agencies based on factors such as the number of local agencies and the number of persons participating in the program at those agencies. The current requirements expires September 30, 1984.

NUTRITION EDUCATION AND TRAINING PROGRAM

Section 6 amends section 19(j)(2) of the Child Nutrition Act of 1966 to extend through September 30, 1986, the authorization for appropriations for grants to the States for the conduct of nutrition education and information programs. The authorization level for each of fiscal years 1985 and 1986 would be continued at $5 million. The current authorization expires September 30, 1984.

ADMINISTRATION VIEWS

As of the filing of this report, the Committee had not received a report from the Administration on the Committee-reported bill. On April 25, 1984, Ms. Mary C. Jarratt, Assistant Secretary for Food and Consumer Services, Department of Agriculture, testified before the Committee on the Administration's legislative proposals for fiscal year 1985. The portions of Ms. Jarratt's testimony relating to child nutrition programs follow:

TESTIMONY OF MARY C. JARRATT, ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE BEFORE THE SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY, APRIL 25, 1984

Mr. Chairman and members of the Committee, thank you for the invitation to appear before you today to discuss the Administration's legislative proposals for Fiscal Year 1985. Accompanying me is Virgil Conrad, Deputy Administrator for Family Nutrition Programs of the Food and Nutrition Service, and George Braley, Deputy Administrator for Special Nutrition Programs of the Food and Nutrition Service.

At the outset, I can report to you that the network of food assistance programs operated through the Food and Nutrition Service—of which the Food Stamp Program is the principal vehicle for low-income nutrition assistance—has functioned well during recent difficult times. We remain committed to administering these programs in a manner which ensures that eligible beneficiaries are well served. At the same time, we intend to continue to seek better management techniques and to attack fraud, waste, and abuse. Only with this dual effort can we assure the legitimacy of food assistance program in the eyes of the taxpayers.

* * * * * * *

Now that we have embarked upon a vigorous economic recovery which can be expected to provide more jobs for needy low-income persons now receiving public assistance, we must do all that we can to sustain that growing economic prosperity. We must critically examine expenditures when we are faced with the terrifying implications of tomorrow's rampant budget deficits. The Federal commitment to feeding low-income persons is substantial. USDA alone subsidizes totally or in part 95 million meals a day, or about 14 percent of the daily meals consumed in the country. This is a very sizeable commitment.

* * * * * * *

The Administration's legislative proposals concerning child nutrition and commodities are several in number. They continue the effort to focus assistance on needy children and to simplify program administration.

First, we propose to extend the authorization of state administrative expenses for one year. We believe that there are problems with the existing SAE formula that create inter-state inequities and which deserve careful study before a lengthier authorization is prudent. Also, our proposal would limit the amount of unused funding that States can carry over from one fiscal year to the next. In this way the Department can reduce the large amounts of unused SAE from prior years currently outstanding in some States.

Second, we would strengthen procedures for verifying eligibility for free and reduced price meals. Since implementation of the income verification requirements in the school lunch program, savings have accrued to the Federal government. Our proposal would help defray locally borne costs of verification by reimbursing the administrative costs incurred by food stamp offices in providing a certificate of participation to food stamp households applying for free meals.

Third, we would create an independent special assistance factor for reduced-price meals in school-based programs. As a result, reimbursement rates for meals in all price categories would be increased by the same cost-of-living adjustment. Because the current law ties the reduced-price subsidy to the free subsidy (it is currently 40 cents less for lunches and 30 cents less for breakfasts), reduced-price meals receive a higher increase when an adjustment for inflation is made.

Fourth, we would consolidate the Summer Food Service Program and the Child Care Food Program into a non-school program grant to States. This grant would be funded at the 1985 current services level for the two programs it would replace. Meal assistance for Head Start centers, at present funded under the Child Care Feeding program, would be available through a corresponding increase in Head Start funding. The non-school program grant will substantially increase State flexibility and achieve two major effects. First, administrative efficiencies will be realized through a reduction in program complexity. Second, States will be able to tailor programs under this grant to meet the specific needs of their State's population. Primarily, funds would be targeted to meet the needs of children of low-income households.

Fifth, we would discontinue federal funding for the Nutrition Education and Training Program. This program, authorized in 1977, originally provided seed money for the States to begin or augment existing nutrition education programs. These programs are now well established and the Federal purpose has been served. Now the States should be given the opportunity to determine and implement their own nutrition education programs.

Sixth, we would eliminate the direct Federal administration of Child Nutrition programs. Currently, the Food and Nutrition Service operates Child Nutrition Programs, including the Special Milk Program, in States which do not administer these programs through their own agencies. FNS Regional Offices currently operate portions of the school nutrition programs in 14 states, the Child Care Food Program in nine States and the Summer Food Service Program in 17 States where State law or policy prevent State agencies from doing so. The burden of administering these programs, added to the Regional Offices' normal duties, creates an immense workload for these offices. Since States are responsible for making Federal programs

available to their citizens, it is an inappropriate use of Federal resources to act as a State agency in administering these programs. Finally, this action would resolve some of the ambiguities created by having differing rules for States and Regions with respect to audit closures, report submission deadlines, etc.

Seventh, we would extend for a year the authorization to use Section 32 funds to provide agricultural commodities to programs operating under the National School Lunch Act, and the Child Nutrition Act of 1966. The current authorization expires on September 30, 1984. Also, we would require that commodity entitlements be based on the actual number of meals served during the previous school year instead of an estimate of the number of meals that will be served. This change will enable the Secretary to establish commodity amounts for each State at the beginning of the year based on the actual data reported by States. States will have greater assurances of the level of commodities they will receive during the year and, therefore, will not face the prospect of revised commodity levels because the Department changes its projection of the number of meals served during the year.

Eighth, we would extend the Special Supplemental Food Program for Women, Infants and Children (WIC) for one year. Several studies concerning WIC are due to be reported within the year, and we believe it is essential to incorporate these study findings into re-authorization deliberations. In addition, our proposal would eliminate the provisions which require regular reallocation of program funds. WIC Program administration has improved over the years and States are not experiencing problems with unspent funds. Rather, States are spending according to plans established at the beginning of each fiscal year. By eliminating the reallocation provisions, States will be assured of their annual grant and the agency will not be required to perform reallocations of the ever decreasing pot of excess funds.

Further, our proposal would reduce the amount of money set aside for administration of WIC from 20 percent to 18 percent of the appropriation. In a time of limited resources it is important to restrain overhead costs so that a greater proportion of program funding is devoted to supplemental food assistance. The program has been operating on a stable basis for several years so States are in a good position to strengthen their operating processes to make them more efficient. As a further help, the Department also proposes to remove the requirement to spend one-sixth of these funds for nutrition education. However, States will still be required to be provide nutrition education.

Mr. Chairman, that concludes my formal remarks. I will be pleased to respond to questions.

COST ESTIMATE

I.

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee estimates that the enactment of the Committee-reported bill would result in the following cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1985	1986	1987	1988	1989
Summer food:					
Authorization level [1]	108	114			
Outlays	100	114	8		
State administrative expenses:					
Authorization level	46	50			
Outlays	46	50			
WIC:					
Authorization level	1,471	1,525			
Outlays	1,309	1,519	168		
Nutrition education:					
Authorization level	5	5			
Outlays	5	5			
Total authorizations	1,630	1,694			
Total outlays	1,460	1,688	176		

[1] CBO considers appropriations to be mandatory.

II.

In accordance with the Congressional Budget Act of 1974, the Congressional Budget Office prepared the following cost estimate, which is consistent with the Committee's cost estimate:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 24, 1984.

Hon. JESSE A. HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for the National School Lunch and Child Nutrition Reauthorization Act of 1984, as ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry on May 16, 1984.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ERIC HANUSHEK
(For Rudolph G. Penner).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: Original bill.

2. Bill title: National School Lunch and Child Nutrition Reauthorization Act of 1984.

3. Bill status: As ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry on May 16, 1984.

4. Bill purpose: This bill extends authorizations of appropriations for the summer food service program, the commodity distribution program, state administrative expenses, the special supplemental food program (WIC), and nutrition education and training through fiscal year 1986. This bill is subject to subsequent appropriations action.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1985	1986	1987	1988	1989
:Summer food:					
Budget authority[1]	108	114			
Outlays	100	114	8		
State administrative expenses:					
Authorization level	46	50			
Outlays	46	50			
WIC:					
Authorization level	1,471	1,525			
Outlays	1,309	1,519	168		
Nutrition education:					
Authorization level	5	5			
Outlays	5	5			
Total authorizations/budget authority[1]	1,630	1,694			
Total outlays	1,460	1,688	176		

[1] Subsequent appropriations are considered to be mandatory.

The costs of this bill fall within budget function 600.

BASIS OF ESTIMATE

The bill sets the authorization levels for WIC and the nutrition education program for fiscal years 1985 and 1986. For WIC, the authorization levels in this bill equal CBO's current baseline. Based on CBO's current assumptions regarding the annual rate of food price inflation (5.8 percent in fiscal year 1985 and 3.7 percent in fiscal year 1986), the WIC authorization levels would support about 3.0 million participants during both fiscal years 1985 and 1986. Authorizations for appropriations for the summer food program and state administrative expenses are at such sums as may be necessary for fiscal years 1985 and 1986. Since this bill would continue these two programs under their current laws for two more years, this estimate of the new authorizations for appropriations is equal to CBO's current baseline. This estimate assumes full appropriation of authorization levels.

The commodity distribution program requires the Secretary of Agriculture to use funds available under Section 32 or the Commodity Credit Corporation (CCC) to purchase commodities for child nutrition programs. Without the reauthorization of the commodity distribution program, the Secretary would still be able to use Section 32 funds to meet the commodity mandate in current laws that govern the child nutrition programs. There are no additional authorizations of appropriations assumed from the reauthorization of the commodity distribution program.

6. Estimated cost to State and local governments: This bill extends authorizations of appropriations for state administrative expenses to cover costs for administering most of the child nutrition programs. State administrative expenses for any given year would be 1½ percent of the costs in the second preceding fiscal year. Funds for the summer food program and the WIC program cover program costs as well as administrative costs for state and local governments and sponsors. Because this bill would authorize payments to state and local governments to extend child nutrition programs, as well as provide grants to state and local governments with no matching requirements, there would be no costs to state and local governments from enactment of this bill. These federal funds potentially could substitute for what state and local governments spend on these activities though there is no information available on the amount of substitution that would occur.

7. Estimate comparison: None.

8. Previous CBO estimate: CBO prepared a cost estimate of H.R. 7, as ordered reported by the House Committee on Education and Labor on March 20, 1984. H.R. 7 extends authorizations of appropriations for WIC, state administrative expenses, the summer food service program, the commodity distribution program, and the nutrition education program through fiscal year 1988, while this bill extends these programs for fiscal years 1985 and 1986. Also, H.R. 7 authorizes higher levels for WIC and the nutrition education program than this bill. While both H.R. 7 and this bill reauthorize the five expiring child nutrition programs, H.R. 7 also would expand existing child nutrition programs such as the school lunch, school breakfast, and child care programs.

9. Estimate prepared by: Stacey Sheffrin.

10. Estimate approached by C. G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

Regulatory Impact Evaluation

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact that would be incurred in carrying out the Committee bill.

INDIVIDUALS AND BUSINESSES AFFECTED

The Committee bill reauthorizes, without change, five expiring child nutrition programs. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

PAPERWORK BURDEN

Participation in the child nutrition programs reauthorized by the bill is voluntary on the part of States and institutions operating the programs and the children, women, and infants who receive various program benefits

Because the bill merely reauthorizes these programs, no change in the paperwork requirements of the statutes is mandated.

PRIVACY IMPACT

There would be no impact on the personal privacy of recipients in the child nutrition programs of enactment of the bill.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

NATIONAL SCHOOL LUNCH ACT

AN ACT to provide assistance to the States in the establishment, maintenance, operation and expansion of school-lunch programs, and for other purposes

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National School Lunch Act."

* * * * * * *

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

SEC. 13. (a)(1) The Secretary is authorized to carry out a program to assist States, through grants-in-aid and other means, to initiate, maintain, and expand nonprofit food service programs for children in service institutions. For purposes of this section, (A) "program" means the summer food service program for children authorized by this section; (B) "service institutions" means public or private nonprofit school food authorities, local, municipal, or county governments, and residential public or private nonprofit summer camps, that develop special summer or school vacation programs providing food service similar to that made available to children during the school year under the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966; (C) "areas in which poor economic conditions exist" means areas in which at least 50 percent of the children are eligible for free or reduced price school meals under this Act and the Child Nutrition Act of 1966, as determined by information provided from departments of welfare, zoning commissions, census tracts, by the number of free and reduced price lunches or breakfasts served to children attending public and nonprofit private schools located in the area of program food service sites, or from other appropriate sources, including statements of eligibility based upon income for children enrolled in the program; (D) "children" means individuals who are eighteen years of age and under, and individuals who are older than eighteen who are (i) determined by a State educational agency or a local public educational agency of a State, in accordance with regulations prescribed by the Secretary, to be mentally or physically handicapped, and (ii) participating in a public or nonprofit private school program established for the mentally or physically handicapped; and (E) "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Is-

lands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(2) To the maximum extent feasible, consistent with the purposes of this section, any food service under the program shall use meals prepared at the facilities of the service institution or at the food service facilities of public and nonprofit private schools. The Secretary shall assist States in the development of information and technical assistance to encourage increased service of meals prepared at the facilities of service institutions and at public and nonprofit private schools.

(3) Eligible service institutions entitled to participate in the program shall be limited to those that—

(A) demonstrate adequate administrative and financial responsibility to manage an effective food service;

(B) have not been seriously deficient in operating under the program;

(C) either conduct a regularly scheduled food service for children from areas in which poor economic conditions exist or qualify as camps; and

(D) provide an ongoing year-round service to the community to be served under the program (except that an otherwise eligible service institution shall not be disqualified for failure to meet this requirement for ongoing year-round service if the State determines that its disqualification would result in an area in which poor economic conditions exist not being served or in a significant number of needy children not having reasonable access to a summer food service program).

(4) The following order of priority shall be used by the State in determining participation where more than one eligible service institution proposes to serve the same area:

(A) local schools or service institutions that have demonstrated successful program performance in a prior year;

(B) service institutions that prepare meals at their own facilities or operate only one site;

(C) service institutions that use local school food facilities for the preparation of meals;

(D) other service institutions that have demonstrated ability for successful program operation; and

(E) service institutions that plan to integrate the program with Federal, State, or local employment programs.

The Secretary and the States, in carrying out their respective functions under this section, shall actively seek eligible service institutions located in rural areas, for the purpose of assisting such service institutions in applying to participate in the program.

(5) Camps that satisfy all other eligibility requirements of this section shall receive reimbursement only for meals served to children who meet the eligibility requirements for free or reduced price meals, as determined under this Act and the Child Nutrition Act of 1966.

(6) Service institutions that are local, municipal, or county governments shall be eligible for reimbursement for meals served in programs under this section only if such programs are operated directly by such governments.

(b)(1) Payments to service institutions shall equal the full cost of food service operations (which cost shall include the cost of obtaining, preparing, and serving food, but shall not include administrative costs), except that such payments to any institution shall not exceed (1) 85.75 cents for each lunch and supper served; (2) 47.75 cents for each breakfast served; or (3) 22.50 cents for each meal supplement served: *Provided,* That such amounts shall be adjusted each January 1 to the nearest one-fourth cent in accordance with the changes for the twelve-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor: *Provided further,* That the Secretary may make such adjustments in the maximum reimbursement levels as the Secretary determines appropriate after making the study prescribed in paragraph (4) of this subsection.

(2) Any service institution may only serve lunch and either breakfast or a meal supplement during each day of operation, except that any service institution that is a camp or that serves meals primarily to migrant children may serve up to four meals during each day of operation, if (A) the service institution has the administrative capability and the food preparation and food holding capabilities (where applicable) to serve more than one meal per day, and (B) the service period of different meals does not coincide or overlap. The meals that camps and migrant programs may serve shall include a breakfast, a lunch, a supper, and meal supplements.

(3) Every service institution, when applying for participation in the program, shall submit a complete budget for administrative costs related to the program, which shall be subject to approval by the State. Payment to service institutions for adminstrative costs shall equal the full amount of State approved administrative costs incurred, except that such payment to service institutions may not exceed the maximum allowable levels determined by the Secretary pursuant to the study prescribed in paragraph (4) of this subsection.

(4)(A) The Secretary shall conduct a study of the food service operations carried out under the program. Such study shall include, but shall not be limited to—

(i) an evaluation of meal quality as related to costs; and

(ii) a determination whether adjustments in the maximum reimbursement levels for food service operation costs prescribed in paragraph (1) of this subsection should be made, including whether different reimbursement levels should be established for self-prepared meals and vendored meals and which site-related costs, if any, should be considered as part of administrative costs.

(B) The Secretary shall also study the administrative costs of service institutions participating in the program and shall thereafter prescribe maximum allowable levels for administrative payments that reflect the costs of such service institutions, taking into account the number of sites and children served, and such other factors as the Secretary determines appropriate to further the goals of efficient and effective administration of the program.

(C) The Secretary shall report the results of such studies to Congress not later than December 1, 1977.

(c) Payments shall be made to service institutions only for meals served during the months of May through September, except in the case of service institutions that operate food service programs for children on school vacation at any time under a continuous school calendar.

(d) Not later than April 15, May 15, and July 1, of each year, the Secretary shall forward to each State a letter of credit (advance program payment) that shall be available to each State for the payment of meals to be served in the month for which the letter of credit is issued. The amount of the advance program payment shall be an amount which the State demonstrates, to the satisfaction of the Secretary, to be necessary for advance program payments to service institutions in accordance with subsection (e) of this section. The Secretary shall also forward such advance program payments, by the first day of the month prior to the month in which the program will be conducted, to States that operate the program in months other than May through September. The Secretary shall forward any remaining payments due pursuant to subsection (b) of this section not later than sixty days following receipt of valid claims therefor.

(e)(1) Not later than June 1, July 15, and August 15 of each year, or, in the case of service institutions that operate under a continuous school calendar, the first day of each month of operation, the State shall forward advance program payments to each service institution: *Provided,* That (A) the State shall not release the second month's advance program payment to any service institution that has not certified that it has held training sessions for its own personnel and the site personnel with regard to program duties and responsibilities, and (B) no advance program payment may be made for any month in which the service institution will operate under the program for less than ten days.

(2) The amount of the advance program payment for any month in the case of any service institution shall be an amount equal to (A) the total program payment for meals served by such service institution in the same calendar month of the preceding calendar year, (B) 50 percent of the amount established by the State to be needed by such service institution for meals if such service institution contracts with a food service management company, or (C) 65 percent of the amount established by the State to be needed by such service institution for meals if such service institution prepares its own meals, whichever amount is greatest: *Provided,* That the advance program payment may not exceed the total amount estimated by the State to be needed by such service institution for meals to be served in the month for which such advance program payment is made or $40,000, whichever is less, except that a State may make a larger advance program payment to such service institution where the State determines that such larger payment is necessary for the operation of the program by such service institution and sufficient administrative and management capability to justify a larger payment is demonstrated. The State shall forward any remaining payment due a service institution not later than seventy-five days following receipt of valid claims. If the State has reason to believe that a service institution will not be able to submit a valid claim for reimbursement covering the period for which an ad-

vance program payment has been made, the subsequent month's advance program payment shall be withheld until such time as the State has received a valid claim. Program payments advanced to service institutions that are not subsequently deducted from a valid claim for reimbursement shall be repaid upon demand by the State. Any prior payment that is under dispute may be subtracted from an advance program payment.

(f) Service institutions receiving funds under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served without cost to children attending service institutions approved for operation under this section, except that, in the case of camps, charges may be made for meals served to children other than those who meet the eligibility requirements for free or reduced price meals in accordance with subsection (a)(5) of this section. To assure meal quality, States shall, with the assistance of the Secretary, prescribe model meal specifications and model food quality standards, and ensure that all service institutions contracting for the preparation of meals with food service management companies include in their contracts menu cycles, local food safety standards, and food quality standards approved by the State. Such contracts shall require (A) periodic inspections, by an independent agency or the local health department for the locality in which the meals are served, of meals prepared in accordance with the contract in order to determine bacteria levels present in such meals, and (B) that bacteria levels conform to the standards which are applied by the local health authority for that locality with respect to the levels of bacteria that may be present in meals served by other establishments in that locality. Such inspections and any testing resulting therefrom shall be in accordance with the practice employed by such local health authority.

(g) The Secretary shall publish proposed regulations relating to the implementation of the program by November 1 of each fiscal year, final regulations by January 1 of each fiscal year, and guidelines, applications, and handbooks by February 1 of each fiscal year: *Provided,* That for fiscal year 1978, those portions of the regulations relating to payment rates for both food service operations and administrative costs need not be published until December 1 and February 1, respectively. In order to improve program planning, the Secretary may provide that service institutions be paid as startup costs not to exceed 20 percent of the administrative funds provided for in the administrative budget approved by the State under subsection (b)(3) of this section. Any payments made for startup costs shall be subtracted from amounts otherwise payable for administrative costs subsequently made to service institutions under subsection (b)(3) of this section.

(h) Each service institution shall, insofar as practicable, use in its food service under the program foods designated from time to time by the Secretary as being in abundance. The Secretary is authorized to donate to States, for distribution to service institutions, food available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) or section 709 of the Food and Agriculture Act

of 1965 (7 U.S.C. 1446a–1). Donated foods may be distributed only to service institutions that can use commodities efficiently and effectively, as determined by the Secretary.

(i) * * *

(j) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

(k)(1) The Secretary shall pay to each State for its administrative costs incurred under this section in any fiscal year an amount equal to (A) 20 percent of the first $50,000 in funds distributed to that State for the program in the preceding fiscal year; (B) 10 percent of the next $100,000 distributed to that State for the program in the preceding fiscal year; (C) 5 percent of the next $250,000 in funds distributed to that State for the program in the preceding fiscal year, and (D) 2½ percent of any remaining funds distributed to that State for the program in the preceding fiscal year: *Provided,* That such amounts may be adjusted by the Secretary to reflect changes in the size of that State's program since the preceding fiscal year.

(2) The Secretary shall establish standards and effective dates for the proper, efficient, and effective administration of the program by the State. If the Secretary finds that the State has failed without good cause to meet any of the Secretary's standards or has failed without good cause to carry out the approved State management and administration plan under subsection (n) of this section, the Secretary may withhold from the State such funds authorized under this subsection as the Secretary determines to be appropriate.

(3) To provide for adequate nutritional and food quality monitoring, and to further the implementation of the program, an additional amount, not to exceed the lesser of actual costs of 1 percent of program funds, shall be made available by the Secretary to States to pay for State or local health department inspections, and to reinspect facilities and deliveries to test meal quality.

(l)(1) Service institutions may contract on a competitive basis only with food service management companies registered with the State in which they operate for the furnishing of meals or management of the entire food service under the program, except that a food service management company entering into a contract with a service institution under this section may not subcontract with a single company for the total meal, with or without milk, or for the assembly of the meal. The Secretary shall prescribe additional conditions and limitations governing assignment of all or any part of a contract entered into by a food service management company under this section. Any food service management company shall, in its bid, provide the service institution information as to its meal capacity. The State shall, upon award of any bid, review the company's registration to calculate how many remaining meals the food service management company is equipped to prepare.

(2) Each State shall provide for the registration of food service management companies. For the purposes of this section, registration shall include, at a minimum—

(A) certification that the company meets applicable State and local health, safety, and sanitation standards;

(B) disclosure of past and present company owners, officers, and directors, and their relationship, if any, to any service institution or food service management company that received program funds in any prior fiscal year;

(C) records of contract terminations or disallowances, and health, safety, and sanitary code violations, in regard to program operations in prior fiscal years; and

(D) the addresses of the company's food preparation and distribution sites.

No food service management company may be registered if the State determines that such company (i) lacks the administrative and financial capability to perform under the program, or (ii) has been seriously deficient in its participation in the program in prior fiscal years.

(3) In order to ensure that only qualified food service management companies contract for services in all States, the Secretary shall maintain a record of all registered food service management companies and their program record for the purpose of making such information available to the States.

(4) In accordance with regulations issued by the Secretary, positive efforts shall be made by service institutions to use small businesses and minority-owned businesses as sources of supplies and services. Such efforts shall afford those sources the maximum feasible opportunity to compete for contracts using program funds.

(5) Each State, with the assistance of the Secretary, shall establish a standard form of contract for use by service institutions and food service management companies. The Secretary shall prescribe requirements governing bid and contract procedures for acquisition of the services of food service management companies, including, but not limited to, bonding requirements (which may provide exemptions applicable to contracts of $100,000 or less), procedures for review of contracts by States, and safeguards to prevent collusive bidding activities between service institutions and food service management companies.

(m) States and service institutions participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations issued hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines necessary.

(n) Each State desiring to participate in the program shall notify the Secretary by January 1 of each year of its intent to administer the program and shall submit for approval by February 15 a management and administration plan for the program for the fiscal year which shall include, but not be limited to, (1) the State's administrative budget for the fiscal year, and the State's plans to comply with any standards prescribed by the Secretary under subsection (k) of this section; (2) the State's plan for use of program funds and funds from within the State to the maximum extent practicable to reach needy children, including the State's method for assessing need, and its plans and schedule for informing service institutions of the availability of the program; (3) the State's best

estimate of the number and character of service institutions and sites to be approved, and of meals to be served and children to participate for the fiscal year, and a description of the estimating methods used; (4) the State's plans and schedule for providing technical assistance and training eligible service institutions; (5) the State's schedule for application by service institutions; (6) the actions to be taken to maximize the use of meals prepared by service institutions and the use of school food service facilities; (7) the State's plans for monitoring and inspecting service institutions, feeding sites, and food service management companies and for ensuring that such companies do not enter into contracts for more meals than they can provide effectively and efficiently; (8) the State's plan and schedule for registering food service management companies; (9) the State's plan for timely and effective action against program violators; (10) the State's plans for determining the amount of program payments to service institutions and for disbursing such payments; (11) the State's plan for ensuring fiscal integrity by auditing service institutions not subject to auditing requirements prescribed by the Secretary; and (12) the State's procedure for granting a hearing and prompt determination to any service institution wishing to appeal a State ruling denying the service institution's application for program participation or for program reimbursement.

(o)(1) Whoever, in connection with any application, procurement, recordkeeping entry, claim for reimbursement, or other document or statement made in connection with the program, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious, or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, or whoever, in connection with the program, knowingly makes an opportunity for any person to defraud the United States, or does or omits to do any act with intent to enable any person to defraud the United States, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

(2) Whoever being a partner, officer, director, or managing agent connected in any capacity with any partnership, association, corporation, business, or organization, either public or private, that receives benefits under the program, knowingly or willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any benefits provided by this section or any money, funds, assets, or property derived from benefits provided by this section, shall be fined not more than $10,000 or imprisoned for not more than five years, or both (but, if the benefits, money, funds, assets, or property involved is not over $200, then the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both).

(3) If two or more persons conspire or conclude to accomplish any act made unlawful under this subsection, and one or more of such persons do any act to effect the object of the conspiracy or collusion, each shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

(p) For the fiscal years beginning October 1, 1977, and ending September 30, *[1984,]* there are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

COMMODITY DISTRIBUTION PROGRAM

Sec. 14. (a) Notwithstanding any other provision of law, the Secretary, during the period beginning July 1, 1974, and ending September 30, *[1984,]* shall—

(1) use funds available to carry out the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) which are not expended or needed to carry out such provisions, to purchase (without regard to the provisions of existing law governing the expenditure of public funds) agricultural commodities and their products of the types customarily purchased under such section (which may include domestic seafood commodities and their products) for donation to maintain the annually programmed level of assistance for programs carried on under this Act, the Child Nutrition Act of 1966, and title III of the Oldest Americans Act of 1965; and

(2) if stocks of the Commodity Credit Corporation are not available, use the funds of such Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), for such donation.

(b) Among the products to be included in the food donations to the school lunch program shall be cereal and shortening and oil products.

(c) The Secretary may use funds appropriated from the general fund of the Treasury to purchase agricultural commodities and their products of the types customarily purchased for donation under section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 303(a)(4)) or for cash payments in lieu of such donations under section 311(c)(1) of such Act (42 U.S.C. 3030(c)(1)). There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this subsection.

(d) In providing assistance under this Act and the Child Nutrition Act of 1966 for school lunch and breakfast programs, the Secretary shall establish procedures which will—

(1) ensure that the views of local school districts and private nonprofit schools with respect to the type of commodity assistance needed in schools are fully and accurately reflected in reports to the Secretary by the State with respect to State commodity preferences and that such views are considered by the Secretary in the purchase and distribution of commodities and by the States in the allocation of such commodities among schools within the States;

(2) solicit the views of States with respect to the acceptability of commodities;

(3) ensure that the timing of commodity deliveries to States is consistent with State school year calendars and that such deliveries occur with sufficient advance notice;

(4) provide for systematic review of the costs and benefits of providing commodities of the kind and quantity that are suitable to the needs of local school districts and private nonprofit schools; and

(5) make available technical assistance on the use of the commodities available under this Act and the Child Nutrition Act of 1966.

Within eighteen months after the date of the enactment of this subsection, the Secretary shall report to the Congress on the impact of procedures established under this subsection, including the nutritional, economic, and administrative benefits of such procedures. In purchasing commodities for programs carried out under this Act and the Child Nutrition Act of 1966, the Secretary shall establish procedures to ensure that contracts for the purchase of such commodities shall not be entered into unless the previous history and current patterns of the contracting party with respect to compliance with applicable meat inspection laws and with other appropriate standards relating to the wholesomeness of food for human consumption are taken into account.

(e) Each State educational agency that receives food assistance payments under this section for any school year shall establish for such year an advisory council, which shall be composed of representatives of schools in the State that participate in the school lunch program. The council shall advise such State agency with respect to the needs of such schools relating to the manner of selection and distribution of commodity assistance for such program.

(f) Commodity only schools shall be eligible to receive donated commodities equal in value to the sum of the national average value of donated foods established under section 6(e) of this Act and the national average payment established under section 4 of this Act. Such schools shall be eligible to receive up to 5 cents per meal of such value in cash for processing and handling expenses related to the use of such commodities. Lunches served in such schools shall consist of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9(a) of this Act, and shall represent the four basic food groups, including a serving of fluid milk.

* * * * * * *

CHILD NUTRITION ACT OF 1966

AN ACT To strengthen and expand food service programs for children.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Nutrition Act of 1966".

* * * * * * *

STATE ADMINISTRATIVE EXPENSES

SEC. 7. (a)(1) Each fiscal year, the Secretary shall make available to the States for their administrative costs an amount equal to not less than 1½ percent of the Federal funds expended under sections 4, 11, and 17 of the National School Lunch Act and 3 and 4 of this

Act during the second preceding fiscal year. The Secretary shall allocate the funds so provided in accordance with paragraphs (2), (3), and (4) of this subsection. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

(2) The Secretary shall allocate to each State for administrative costs incurred in any fiscal year in connection with the programs authorized under the National School Lunch Act or under this Act, except for the programs authorized under section 13 or 17 of the National School Lunch Act or under section 17 of this Act, an amount equal to not less than 1 percent and not more than 1½ percent of the funds expended by each State under sections 4 and 11 of the National School Lunch Act and sections 3 and 4 of this Act during the second preceding fiscal year. In no case shall the grant available to any State under this subsection be less than the amount such State was allocated in the fiscal year ending September 30, 1980, or $100,000, whichever is larger.

(3) The Secretary shall allocate to each State for its administrative costs incurred under the program authorized by section 17 of the National School Lunch Act in any fiscal year an amount, based upon funds expended under that program in the second preceding fiscal year, equal to (A) 20 percent of the first $50,000, (B) 10 percent of the next $100,000, (C) 5 percent of the next $250,000, and (D) 2½ percent of any remaining funds. The Secretary may adjust any State's allocation to reflect changes in the size of its program.

(4) The remaining funds appropriated under this section shall be allocated among the States by the Secretary in amounts the Secretary determines necessary for the improvement in the States of the administration of the programs authorized under the National School Lunch Act and this Act, except for section 17 of this Act, including, but not limited to, improved program integrity and the quality of meals served to children.

(5) Funds available to States under this subsection and under 13(k)(1) of the National School Lunch Act shall be used for the costs of administration of the programs for which the allocations are made, except that States may transfer up to 10 percent of any of the amounts allocated among such programs.

(6) Where the Secretary is responsible for the administration of programs under this Act or the National School Lunch Act, the amount of funds that would be allocated to the State agency under this section and under section 13(k)(1) of the National School Lunch Act shall be retained by the Secretary for the Secretary's use in the administration of such programs.

(b) The Secretary, in cooperation with the several States, shall develop State staffing standards for the administration by each State of sections 4, 11, and 17 of the National School Lunch Act and sections 3 and 4 of this Act, that will ensure sufficient staff for the planning and administration of programs covered by State administrative expenses.

(c) Funds paid to a State under subsection (a) of this section may be used to pay salaries, including employee benefits and travel expenses, for administrative and supervisory personnel; for support services; for office equipment; and for staff development.

(d) If any State agency agrees to assume responsibility for the administration of food service programs in nonprofit private schools or child care institutions that were previously administered by the Secretary, an appropriate adjustment shall be made in the administrative funds paid under this section to the State not later than the succeeding fiscal year.

(e) Notwithstanding any other provision of law, funds made available to each State under this section shall remain available for obligation and expenditure by that State during the fiscal year immediately following the fiscal year for which such funds were made available. For each fiscal year the Secretary shall establish a date by which each State shall submit to the Secretary a plan for the disbursement of funds provided under this section for each such year, and the Secretary shall reallocate any unused funds, as evidenced by such plans, to other States as the Secretary considers appropriate.

(f) State may use a portion of the funds available under this section to assist in the administration of the commodity distribution program.

(g) Each State shall submit to the Secretary for approval by October 1 of each year an annual plan for the use of State administrative expense funds, including a staff formula for State personnel, system level supervisory and operating personnel, and school level personnel.

(h) Payments of funds under this section shall be made only to States that agree to maintain a level of funding out of State revenues, for administrative costs in connection with programs under this Act (except section 17 of this Act) and the National School Lunch Act (except section 13 of that Act), not less than the amount expended or obligated in fiscal year 1977.

(i) For the fiscal years beginning October 1, 1977, and ending September 30, [1984] *1986,* there are hereby authorized to be appropriated such sums as may be necessary for the purposes of this section.

* * * * * * *

SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 17. (a) Congress finds that substantial numbers of pregnant, postpartum, and breastfeeding women, infants, and young children from families with inadequate income are at special risk with respect to their physical and mental health by reason of inadequate nutrition or health care, or both. It is, therefore, the purpose of the program authorized by this section to provide, up to the authorization levels set forth in subsection (g) of this section, supplemental foods and nutrition education through any eligible local agency that applies for participation in the program. The program shall serve as an adjunct to good health care, during critical times of growth and development, to prevent the occurrence of health problems and improve the health status of these persons.

(b) As used in this section—

(1) "Administrative costs" means costs that shall include, but not be limited to, costs for certification of eligibility of persons for participation in the program; centrifuges, measuring

boards, spectrophotometers, and scales used for such certification; food delivery; monitoring; nutrition education; outreach; start-up costs; and general administration applicable to implementation of the program under this section, such as the cost of staff, warehouse facilities, transportation, insurance, developing and printing food instruments, and administration of State and local agency offices.

(2) "Breastfeeding women" means women up to one year postpartum who are breastfeeding their infants.

(3) "Children" means persons who have had their first birthday but have not yet attained their fifth birthday.

(4) "Competent professional authority" means physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials, or persons designated by physicians or State or local medically trained health officials, in accordance with standards prescribed by the Secretary, as being competent professionally to evaluate nutritional risk.

(5) "Infants" means persons under one year of age.

(6) "Local agency" means a public health or welfare agency or a private nonprofit health or welfare agency, which, directly or through an agency or physician with which it has contracted, provides health services. The term shall include an Indian tribe, band, or group recognized by the Department of the Interior, the Indian Health Service of the Department of Health, Education, and Welfare, or an intertribal council or group that is an authorized representative of Indian tribes, bands, or groups recognized by the Department of the Interior.

(7) "Nutrition education" means individual or group sessions and the provision of materials designed to improve health status that achieve positive change in dietary habits, and emphasize relationships between nutrition and health, all in keeping with the individual's personal, cultural, and socioeconomic preferences.

(8) "Nutritional risk" means (A) detrimental or abnormal nutritional conditions detectable by biochemical or anthropometric measurements, (B) other documented nutritionally related medical conditions, (C) dietary deficiencies that impair or endanger health, or (D) conditions that predispose persons to inadequate nutritional patterns or nutritionally related medical conditions, including, but not limited to, alcoholism and drug addiction.

(9) "Plan of operation and administration" means a document that describes the manner in which the State agency intends to implement and operate the program.

(10) "Postpartum women" means women up to six months after termination of pregnancy.

(11) "Pregnant women" means women determined to have one or more fetuses in utero.

(12) "Secretary" means the Secretary of Agriculture.

(13) "State agency" means the health department or comparable agency of each State; an Indian tribe, band, or group recognized by the Department of the Interior; an intertribal council or group that is the authorized representative of Indian tribes, bands, or groups recognized by the Department of the

Interior; or the Indian Health Service of the Department of Health, Education, and Welfare.

(14) "Supplemental foods" means those foods containing nutrients determined by nutritional research to be lacking in the diets of pregnant, breastfeeding, and postpartum women, infants, and children, as prescribed by the Secretary. State agencies may, with the approval of the Secretary, substitute different foods providing the nutritional equivalent of foods prescribed by the Secretary, to allow for different cultural eating patterns.

(c)(1) The Secretary may carry out a special supplemental food program to assist State agencies through grants-in-aid and other means to provide, through local agencies, at no cost, supplemental foods and nutrition education to low-income pregnant, postpartum, and breastfeeding women, infants, and children who satisfy the eligibility requirements specified in subsection (d) of this section. The program shall be supplementary to the food stamp program (91 Stat. 958) and to any program under which foods are distributed to needy families in lieu of food stamps.

(2) Subject to the authorization levels specified in subsection (g) of this section for the fiscal years ending September 30, 1979, and September 30, 1980, and subject to amounts appropriated for this program for the fiscal year ending September 30, 1981, and for each succeeding fiscal year ending on or before September 30, [1984] *1986*—

(A) the Secretary shall make cash grants to State agencies for the purpose of administering the program, and

(B) any State agency approved eligible local agency that applies to participate in or expand the program under this section shall immediately be provided with the necessary funds to carry out the program.

(3) Nothing in this subsection shall be construed to permit the Secretary to reduce ratably the amount of foods that an eligible local agency shall distribute under the program to participants. The Secretary shall take affirmative action to ensure that the program is instituted in areas most in need of supplemental foods. The existence of a commodity supplemental food program under section 1304 of the Food and Agriculture Act of 1977 shall not preclude the approval of an application from an eligible local agency to participate in the program under this section nor the operation of such program within the same geographic area as that of the commodity supplemental food program, but the Secretary shall issue with regulations as are necessary to prevent dual receipt of benefits under the commodity supplemental food program and the program under this section.

(d)(1) Participation in the program under this section shall be limited to pregnant, postpartum, and breastfeeding women, infants, and children from low-income families who are determined by a competent professional authority to be at nutritional risk.

(2) The Secretary shall establish income eligibility standards to be used in conjunction with the nutritional risk criteria in determining eligibility of persons for participation in the program. Persons at nutritional risk shall be eligible for the program only if they are members of families that satisfy the income standards

prescribed for free and reduced-price school means under section 9 of the National School Lunch Act.

(3) Persons shall be certified for participation in accordance with general procedures prescribed by the Secretary.

(e)(1) The State agency shall ensure that nutrition education is provided to all pregnant, postpartum, and breastfeeding participants in the program and to parents or caretakers of infant and child participants in the program. The State agency may also provide nutrition education to pregnant, postpartum, and breastfeeding women and to parents or caretakers of infants and children enrolled at local agencies operating the program under this section who do not participate in the program. The Secretary shall prescribe standards to ensure that adequate nutrition services are provided. The State agency shall provide training to persons providing nutrition education under this section. Nutrition education shall be evaluated annually by each State agency, and such evaluation shall include the views of participants concerning the effectiveness of the nutrition education they have received.

(2) The Secretary shall, after submitting proposed nutrition education materials to the Secretary of Health, Education, and Welfare for comment, issue such materials for use in the program under this section.

(f)(1) Each State agency shall submit annually to the Secretary, by a date specified by the Secretary, a plan of operation and administration for approval by the Secretary as a prerequisite to receiving funds under this section. The plan shall include, among such other information as the Secretary may require—

(A) a description of how the State agency will distribute administrative funds, including start-up funds to local agencies operating under the program;

(B) a description of the State agency's financial management system;

(C) a description of methods used to determine nutritional risk;

(D) a budget for administrative funds;

(E) the staffing pattern;

(F) nutrition education goals and action plans, including a description of the methods that will be used to meet the special nutrition education needs of migrants and Indians;

(G) plans to provide program benefits under this section to eligible migrants and Indians;

(H) a list of all areas and special populations, in priority order based on relative need, within the jurisdiction of the State agency, and the State agency's plans to initiate or expand operations under the program in areas most in need of supplemental foods, including plans to inform nonparticipating local agencies of the availability and benefits of the program and the availability of technical assistance in implementing the program, and a description of how the State agency will take all reasonable actions to identify potential local agencies and encourage such agencies to implement or expand operations under the program within the following year in the neediest one-third of all areas unserved or partially served;

(I) a description of how the State agency's delivery system will enable low-income persons to receive supplemental foods under this program, in accordance with standards developed by the Secretary;

(J) the State agency's plans for informing eligible persons of the program under this section in accordance with paragraph (8) of this subsection;

(K) a description of how the State agency plans to coordinate operations under the program with special counseling services such as, but not limited to, the expanded food and nutrition education program, family planning, immunization, prenatal care, well-child care, alcohol and drug abuse counseling, child abuse counseling, and with the food stamp program; and

(L) a copy of the procedure manual developed by the State agency for the program under this section.

The Secretary shall not approve any plan that permits any person to participate simultaneously in both the program authorized under this section and the commodity supplemental food program under section 1304 of the Food and Agriculture Act of 1977.

(2) Not less than one month prior to the submission to the Governor of the plan of operation and administration required by this subsection, the State agency shall conduct hearings to enable the general public to participate in the development of the State agency plan.

(3) The Secretary shall establish procedures under which eligible migrants may, to the maximum extent feasible, continue to participate in the program under this section when they are present in States other than the State in which they were originally certified for participation in the program. Each State agency shall be responsible for administering the program for migrant populations within its jurisdiction.

(4) State agencies shall submit monthly financial reports and participation data to the Secretary.

(5) State and local agencies operating under the program shall keep such accounts and records, including medical records, as may be necessary to enable the Secretary to determine whether there has been compliance with this section and to determine and evaluate the benefits of the nutritional assistance provided under this section. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines necessary.

(6) The State agency, upon receipt of a completed application from a local agency for participation in the program (and the Secretary, upon receipt of a completed application from a State agency), shall notify the applicant agency in writing within thirty days of the approval or disapproval of the application, and any disapproval shall be accompanied with a statement of the reasons for such disapproval. Within fifteen days after receipt of an incomplete application, the State agency (or the Secretary) shall notify the applicant agency of the additional information needed to complete the application.

(7) Local agencies participating in the program under this section shall notify persons of their eligibility or ineligibility for the pro-

gram within twenty days of the date that the household, during office hours of a local agency, personally makes an oral or written request to participate in the program. The Secretary shall establish a shorter notification period for categories of persons who, due to special nutritional risk conditions, must receive benefits more expeditiously.

(8) The State agency shall, in cooperation with participating local agencies, publicize the availability of program benefits, including the eligibility criteria for participation and the location of local agencies operating the program. Such information shall be publicly announced by the State agency and by local agencies at least annually. Such information shall also be distributed to offices and organizations that deal with significant numbers of potentially eligible persons, including health and medical organizations, hospitals and clinics, welfare and unemployment offices, social service agencies, farmworker organizations, Indian tribal organizations, and religious and community organizations in low income areas.

(9) The State agency shall grant a fair hearing, and a prompt determination thereafter, in accordance with regulations issued by the Secretary, to any applicant, participant, or local agency aggrieved by the action of a State or local agency as it affects participation.

(10) If a person certified as eligible for participation in the program under this section in one area moves to another area in which the program is operating, that person's certification of eligibility shall remain valid for the period for which the person was originally certified.

(11) The Secretary shall establishment standards for the proper, efficient, and effective administration of the program, including standards that will ensure sufficient State agency staff. If the Secretary determines that a State agency has failed without good cause to administer the program in a manner consistent with this section or to implement the approved plan of operation and administration under this subsection, the Secretary may withhold such amounts of the State agency's administrative funds as the Secretary deems appropriate. Upon correction of such failure during a fiscal year by a State agency, any funds so withheld for such fiscal year shall be provided the State agency.

(12) The Secretary shall prescribe by regulation the supplemental foods to be made available in the program under this section. To the degree possible, the Secretary shall assure that the fat, sugar, and salt content of the prescribed foods is appropriate. Products specifically designed for pregnant, postpartum, and breastfeeding women, or infants shall be available at the discretion of the Secretary if the products are commercially available or are justified to and approved by the Secretary based on clinical tests performed in accordance with standards prescribed by the Secretary.

(13) A competent professional authority shall be responsible for prescribing the appropriate supplemental foods, taking into account medical and nutritional conditions and cultural eating patterns.

(14) The State agency shall (A) provide nutrition education materials and instruction in languages other than English and (B) use appropriate foreign language materials in the administration of the

program, in areas in which a substantial number of low-income households speak a language other than English.

(g) There are hereby authorized to be appropriated $550,000,000 for the fiscal year ending September 30, 1979, $750,000,000 for the fiscal year ending September 30, 1980, $900,000,000 for the fiscal year ending September 30, 1981, $1,017,000,000 for the fiscal year ending September 30, 1982, $1,060,000,000 for the fiscal year ending September 30, 1983, [and] $1,126,000,000 for the fiscal year ending September 30, 1984, *$1,471,000,000 for the fiscal year ending September 30, 1985, and $1,525,000,000 for the fiscal year ending September 30, 1986,* for the purpose of carrying out the program authorized by this section. Of the sums appropriated for any fiscal year for the program under this section, one-half of 1 percent, not to exceed $3,000,000 shall be available to the Secretary for the purpose of evaluating program performance, evaluating health benefits, and administration of pilot projects, including projects designed to meet the special needs of migrants, Indians, and rural populations.

(h)(1) The Secretary shall make 20 percent of funds provided under this section each fiscal year (other than funds expended for evaluation and pilot projects under subsection (g) of this section) available for State agency and local agency administrative costs. When reallocating funds, the Secretary may exceed the 20 percent limitation for administrative costs if the Secretary determines such action necessary for the proper, efficient, and effective administration of the program. Not less than one-sixth of the funds expended by each State agency for administrative costs under this subsection shall be used for nutrition education activities, unless the State agency requests that it be authorized to expend a lesser amount and such request is accompanied by documentation that other funds will be used to conduct such activities.

(2) The Secretary for each of the fiscal years 1979 through [1984] *1986,* shall allocate administrative funds to each State agency on the basis of a formula determined by the Secretary, which shall include a minimum amount, and which shall be designed to take into account the varying needs of State agencies based on factors such as the number of local agencies and the number of persons participating in the program at those agencies.

(3) Each State agency shall provide, from its allocation for administrative funds, funds to local agencies for their administrative costs. Each State agency shall distribute administrative funds to local agencies under allocation standards developed by the State agency in cooperation with the several local agencies, which satisfy allocation guidelines established by the Secretary. Such allocation standards shall take into account factors deemed appropriate to further proper, efficient, and effective administration of the program, such as local agency staffing needs, density of population, number of persons served, and availability of administrative support from other sources. These allocation standards shall be included in the plan of operation and administration required by subsection (f) of this section.

(4) The State agency shall forward in advance to local agencies those administrative funds necessary for successful commencement of program operations under this section during the three months

following approval or until a program reaches its projected caseload level, whichever comes first.

(i) By the beginning of each fiscal year, the Secretary shall divide, among the State agencies, the funds provided in accordance with this section on the basis of a formula determined by the Secretary. Each State agency's allocation, as so determined, shall constitute the State agency's authorized operational level for that year, except that the Secretary shall reallocate funds periodically if the Secretary determines that a State agency is unable to spend its allocation. For purposes of the formula, if Indians are served by the health department of a State, the formula shall be based on the State population inclusive of the Indians within the State boundaries. If Indians residing in the State are served by a State agency other than the health department of the State, the population of the tribes within the jurisdiction of the State being so served shall not be included in the formula for such State, and shall instead be included in the formula for the State agency serving the Indians. Notwithstanding any other provision of this section, the Secretary may use a portion of a State agency's allocation to purchase supplemental foods for donation to the State agency under this section.

(j) By October 1 of each year, the Secretary shall prepare a report describing plans to ensure that, to the maximum extent feasible, eligible members of migrant populations continue to participate in the program as such persons move among States. The report shall be made available to the National Advisory Council on Maternal, Infant, and Fetal Nutrition.

(k)(1) There is hereby established a National Advisory Council on Maternal, Infant, and Fetal Nutrition (referred to in this subsection as the "Council") composed of twenty-one members appointed by the Secretary. One member shall be a State director of a program under this section; one member shall be a State official responsible for a commodity supplemental food program under section 1304 of the Food and Agriculture Act of 1977; one member shall be a State fiscal officer of a program under this section (or the equivalent thereof); one member shall be a State health officer (or the equivalent thereof); one member shall be a local agency director of a program under this section in an urban area; one member shall be a local agency director of a program under this section in a rural area; one member shall be a project director of a commodity supplemental food program; one member shall be a State public health nutrition director (or the equivalent thereof); one member shall be a representative of an organization serving migrants; one member shall be an official from a State agency predominantly serving Indians; three members shall be parent participants of a program under this section or of a commodity supplemental food program; one member shall be a pediatrician; one member shall be an obstetrician; one member shall be a representative of a nonprofit public interest organization that has experience with and knowledge of the special supplemental food program; one member shall be a person involved at the retail sales level of food in the special supplemental food program; two members shall be officials of the Department of Health, Education, and Welfare appointed by the Secretary of Health, Education, and Welfare; and

two members shall be officials of the Department of Agriculture appointed by the Secretary.

(2) Members of the Council appointed from outside the Department of Agriculture and the Department of Health, Education, and Welfare shall be appointed for terms not exceeding three years. State and local officials shall serve only during their official tenure, and the tenure of parent participants shall not exceed two years. Persons appointed to complete an unexpired term shall serve only for the remainder of such term.

(3) The Secretary shall designate a Chairman and a Vice Chairman. The Council shall meet at the call of the Chairman, but shall meet at least once a year. Eleven members shall constitute a quorum.

(4) The Council shall make a continuing study of the operation of the program under this section and related programs to determine how the program may be improved. The Council shall submit once every two years to the President and Congress, beginning with the fiscal year ending September 30, 1980, a written report, together with its recommendations on such program operations.

(5) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions.

(6) Members of the Council shall serve without compensation but shall be reimbursed for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council. Parent participant members of the Council, in addition to reimbursement for necessary travel and subsistence, shall, at the discretion of the Secretary, be compensated in advance for other personal expenses related to participation on the Council, such as child care expenses and lost wages during scheduled Council meetings.

(l) Foods available under section 416 of the Agriculture Act of 1979, including, but not limited to, dry milk, or purchased under section 32 of the Act of August 24, 1935, may be donated by the Secretary, at the request of a State agency, for distribution to programs conducted under this section. The Secretary may purchase and distribute, at the request of a State agency, supplemental foods for donation to programs conducted under this section, with appropriated funds, including funds appropriated under this section.

* * * * * * *

NUTRITION EDUCATION AND TRAINING

SEC. 19. (a) Congress finds that—

(1) the proper nutrition of the Nation's children is a matter of highest priority;

(2) the lack of understanding of the principles of good nutrition and their relationship to health can contribute to a child's rejection of highly nutritious foods and consequent plate waste in school food service operations;

(3) many school food service personnel have not had adequate training in food service management skills and principles, and many teachers and school food service operators have not had adequate training in the fundamentals of nutrition or

how to convey this information so as to motivate children to practice sound eating habits;

(4) parents exert a significant influence on children in the development of nutritional habits and lack of nutritional knowledge on the part of parents can have detrimental effects on children's nutritional development; and

(5) there is a need to create opportunities for children to learn about the importance of the principles of good nutrition in their daily lives and how these principles are applied in the school cafeteria.

PURPOSE

(b) It is the purpose of this section to encourage effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs by establishing a system of grants to State educational agencies for the development of comprehensive nutrition information and education programs. Such nutrition education programs shall fully use as a learning laboratory the school lunch and child nutrition programs.

DEFINITIONS

(c) For purposes of this section, the term "nutrition information and education program" means a multidisciplinary program by which scientifically valid information about foods and nutrients is imparted in a manner that individuals receiving such information will understand the principles of nutrition and seek to maximize their well-being through food consumption practices. Nutrition education programs shall include, but not be limited to, (A) instructing students with regard to the nutritional value of foods and the relationship between food and human health; (B) training school food service personnel in the principles and practices of food service management; (C) instructing teachers in sound principles of nutrition education; and (D) developing and using classroom materials and curricula.

NUTRITION INFORMATION AND TRAINING

(d)(1) The Secretary is authorized to formulate and carry out a nutrition information and education program, through a system of grants to State educational agencies, to provide for (A) the nutritional training of educational and food service personnel, (B) the food service management training of school food service personnel, and (C) the conduct of nutrition education activities in schools and child care institutions.

(2) The program is to be coordinated at the State level with other nutrition activities conducted by education, health, and State Cooperative Extension Service agencies. In formulating the program, the Secretary and the State may solicit the advice and recommendations of the National Advisory Council on Child Nutrition; State educational agencies; the Department of Health, Education, and Welfare; and other interested groups and individuals concerned with improvement of child nutrition.

(3) If a State educational agency is conducting or applying to conduct a health education program which includes a school-related nutrition education component as defined by the Secretary, and that health education program is eligible for funds under programs administered by the Department of Health, Education, and Welfare, the Secretary may make funds authorized in this section available to the Department of Health, Education, and Welfare to fund the nutrition education component of the State program without requiring an additional grant application.

(4) The Secretary, in carrying out the provisions of this subsection, shall make grants to State educational agencies who, in turn, may contract with land-grant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, as amended; 7 U.S.C. 301-305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321-326 and 328), including the Tuskegee Institute, other institutions of higher education, and nonprofit organizations and agencies, for the training of educational and school food service personnel with respect to providing nutrition education programs in schools and the training of school food service personnel in school food service management. Such grants may be used to develop and conduct training programs for early childhood, elementary, and secondary educational personnel and food service personnel with respect to the relationship between food, nutrition, and health; educational methods and techniques, and issues relating to nutrition education; and principles and skills of food service management for cafeteria personnel.

(5) The State, in carrying out the provisions of this subsection, may contract with State and local educational agencies, land-grant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, as amended; 7 U.S.C. 301-305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321-326 and 328), including the Tuskegee Institute, other institutions of higher education, and other public or private nonprofit educational or research agencies, institutions, or organizations to pay the cost of pilot demonstration projects in elementary and secondary schools with respect to nutrition education. Such projects may include, but are not limited to, projects for the development, demonstration, testing, and evaluation of curricula for use in early childhood, elementary, and secondary education programs.

AGREEMENTS WITH STATE AGENCIES

(e) The Secretary is authorized to enter into agreements with State educational agencies incorporating the provisions of this section, and issue such regulations as are necessary to implement this section.

USE OF FUNDS

(f)(1) The funds made available under this section may, under guidelines established by the Secretary, be used by State education agencies for (A) employing a nutrition education specialist to coordinate the program, including travel and related personnel costs; (B) undertaking an assessment of the nutrition education needs of the State; (C) developing a State plan of operation and manage-

ment for nutrition education; (D) applying for and carrying out planning and assessment grants; (E) pilot projects and related purposes; (F) the planning, development, and conduct of nutrition education programs and workshops for food service and educational personnel; (G) coordinating and promoting nutrition information and education activities in local school districts (incorporating, to the maximum extent practicable, as a learning laboratory, the child nutrition programs); (H) contracting with public and private nonprofit educational institutions for the conduct of nutrition education instruction and programs relating to the purposes of this section; and (I) related nutrition education purposes, including the preparation, testing, distribution, and evaluation of visual aids and other informational and educational materials.

(2) Any State desiring to receive grants authorized by this section may, from the funds appropriated to carry out this section, receive a planning and assessment grant for the purposes of carrying out the responsibilities described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection. Any State receiving a planning and assessment grant, may, during the first year of participation, be advanced a portion of the funds necessary to carry out such responsibilities: *Provided*, That in order to receive additional funding, the State must carry out such responsibilities.

(3) An amount not to exceed 15 percent of each State's grant may be used for up to 50 percent of the expenditures for overall administrative and supervisory purposes in connection with the program authorized under this section.

(4) Nothing in this section shall prohibit State or local educational agencies from making available or distributing to adults nutrition education materials, resources, activities, or programs authorized under this section.

ACCOUNTS, RECORDS AND REPORTS

(g)(1) State educational agencies participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations issued hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines to be necessary.

(2) State educational agencies shall provide reports on expenditures of Federal funds, program participation, program costs, and related matters, in such form and at such times as the Secretary may prescribe.

STATE COORDINATORS FOR NUTRITION; STATE PLAN

(h)(1) In order to be eligible for assistance under this section, a State shall appoint a nutrition education specialist to serve as a State coordinator for school nutrition education, It shall be the responsibility of the State coordinator to make an assessment of the nutrition education needs in the State as provided in paragraph (2) of this subsection, prepare a State plan as provided in paragraph (3) of this subsection, and coordinate programs under this Act with

all other nutrition education programs provided by the State with Federal or State funds.

(2) Upon receipt of funds authorized by this section, the State coordinator shall prepare an itemized budget and assess the nutrition education needs of the State. Such assessment shall include, but not be limited to, the identification and location of all students in need of nutrition education. The assessment shall also identify State and local individual, group, and institutional resources within the State for materials, facilities, staffs and methods related to nutrition education.

(3) Within nine months after the award of the planning and assessment grant, the State coordinator shall develop, prepare, and furnish the Secretary for approval, a comprehensive plan for nutrition education within such State. The Secretary shall act on such plan not later than sixty days after it is received. Each such plan shall describe (A) the findings of the nutrition education needs assessment within the State; (B) provisions for coordinating the nutrition education program carried out with funds made available under this section with any related publicly supported programs being carried out within the State; (C) plans for soliciting the advice and recommendations of the National Advisory Council on Child Nutrition, the State educational agency, interested teachers, food nutrition professionals and paraprofessionals, school food service personnel, administrators, representatives from consumer groups, parents, and other individuals concerned with the improvement of child nutrition; (D) plans for reaching all students in the State with instruction in the nutritional value of foods and the relationships among food, nutrition, and health, for training food service personnel in the principles and skills of food service management, and for instructing teachers in sound principles of nutrition education; and (E) plans for using, on a priority basis, the resources of the land-grant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute. To the maximum extent practicable, the State's performance under such plan shall be reviewed and evaluated by the Secretary on a regular basis, including the use of public hearings.

APPROPRIATIONS AUTHORIZED

(j) [sic] (1) For the fiscal years beginning October 1, 1977, and October 1, 1978, grants to the States for the conduct of nutrition education and information programs shall be based on a rate of 50 cents for each child enrolled in schools or in institutions within the State, except that no State shall receive an amount less than $75,000 per year.

(2) For the fiscal year ending September 30, 1980, and for each succeeding fiscal year ending on or before September 30, [1984] *1986*, there is hereby authorized to be appropriated for grants to each State for the conduct of nutrition education and information programs, an amount equal to the higher of (A) 50 cents for each child enrolled in schools or in institutions within each State, or (B) $75,000 for each State. There is authorized to be appropriated for

the grants referred to in the preceding sentence not more than $15,000,000 for fiscal year 1981, and not more than $5,000,000 for each subsequent fiscal year. Grants to each State from such appropriations shall be based on a rate of 50 cents for each child enrolled in schools or in institutions within such State, except that no State shall receive an amount less than $75,000 for that year. If funds appropriated for such year are insufficient to pay the amount to which each State is entitled under the second preceding sentence, the amount of such grant shall be ratably reduced to the extent necessary so that the total of such amounts paid does not exceed the amount of appropriated funds. If additional funds become available for making such payments, such amounts shall be increased on the same basis as they were reduced.

(3) Enrollment data used for purpose of this subsection shall be the latest available as certified by the Office of Education of the Department of Health, Education, and Welfare.

ADDITIONAL VIEWS OF SENATOR JESSE HELMS

I am satisfied with the Committee's decision to deal exclusively with these five expiring programs, and to reauthorize them for 2 years. Obviously, multiple-year reauthorization does not preclude Congress from reexamining these programs in light of various studies which are underway by the Department of Agriculture and may be completed by next year.

I am strongly committed to the goal of providing food assistance to the children of low-income families. I am equally committed to the absolute necessity that Congress restrain overall Federal spending and reduce the enormous budget deficits that otherwise confront us—and our children. Indeed, I have been impressed with the sentiment expressed by many citizens who work with the various child nutrition programs who have indicated that the most constructive action Congress could take on behalf of our Nation's children would be to reduce the deficits.

The authorization levels in the Committee-reported bill exceed the Senate Budget Committee's "assumptions" with regard to child nutrition program spending—by $81 million in fiscal year 1985 and by $84 million in fiscal year 1986. Under the budget resolution adopted by the Senate, the ultimate decision of whether to appropriate up to the authorization ceiling would be up to the Appropriations Committee. Under the Senate resolution, implementing the so-called Rose Garden agreement, the Appropriations Committee would have to reduce other, nondefense, nondiscretionary spending to compensate for increased child nutrition appropriations that exceed the budget resolution "assumptions". I am absolutely committed to ensuring that this bill does not violate the budget resolution. Therefore, I will be forced to oppose proposals, no matter now well-intentioned, that have the effect of exceeding these budget restraints.

I believe that Congress can deal with the five expiring child nutrition programs as reported by the Committee in a timely fashion. I am concerned, however, that some who may not be as committed to these budget restraints may attempt to hold these five expiring programs hostage in return for increasing spending on other child nutrition programs, primarily the school lunch program, that do not expire this year. Some of the efforts to increase spending in many of these programs would seriously undermine the principles established in both the 96th and 97th Congresses to reduce entitlement spending while targeting benefits to those most in need.

For instance, legislation passed by the House, similar to that considered by the Committee, would not only increase Federal outlays by almost $1 billion over the next 5 years, but as estimated by the Congressional Budget Office, would direct over 70 percent of these increased benefits to families with incomes over 130 percent of the poverty line.

Two recent reports have outlined the success in targeting Federal benefits in the school lunch program, the largest child nutrition program. The President's Task Force on Food Assistance noted in its final report, January 18, 1984, that an analysis of census data indicated that reconciliation changes "have not reduced the receipt of free and reduced-price school lunches within the poverty population". Indeed, the task force observed that the percentage of poverty-level families receiving free or reduced-price school lunches had increased slightly between 1979 and 1982, the latest year for which information was available.

SCHOOL LUNCH PARTICIPATION RATIOS

	1979	1980	1981	1982
Percentage of families [1] receiving free or reduce price school lunches: Income below 100% poverty threshold	57.2	59.9	57.9	61.0
Percentage of families [1] receiving full price school lunches: Income greater than 185% poverty threshold	56.3	53.1	51.7	48.3

[1] Families with children 5 to 18 years of age.

Source: Special tabulations from March CPS, President's Task Force on Food Assistance.

Participation in the school lunch program has declined, but this has been because higher income families have dropped, partially in response to the decreased subsidization and higher prices of these meals.

A subsequent report by the General Accounting Office (GAO) confirmed the improved targeting of Federal dollars. (See "Participation in the National School Lunch Program", March 30, 1984.) Student participation, according to the GAO, declined from 27 million to 23.1 million primarily because fewer students ate full-price lunches. In 1982, for the first time in the history of the program, more free and reduced-price lunches were served than full-price lunches. The percentage of Federal school lunch expenditures for free lunches increased every year between fiscal years 1979 (62.6 percent) and 1983 (77.4 percent).

At a time when every effort should be made to control government spending, the House-passed bill and some other proposals would reverse this trend and increase spending, especially for the nonneedy.

Indeed, many of the provisions in the House bill simply repeal provisions adopted in the reconciliation legislation of 1980 and 1981. I am simply not able to support unnecessary retreats from spending reductions enacted on a bipartisan basis during recent years. As noted above, child nutrition amendments in those acts significantly improved the targeting of Federal benefits to those most in need. Examples of current proposals to repeal or significantly modify the law to lessen the current programs' targeting effects follow:

Increase the Federal reimbursement rate for meals served to nonpoor children (reduced-price category) by 15 cents per student per day. Currently, reduced-price eligibility for a family of four is between $12,870 and $18,315 annually, or 130 to 185 percent of the poverty level for a four-person family. The

annual subsidy for lunches served to such children would increase from $138 to $162 per year.

Increase the Federal reimbursement rates for school breakfasts by 15 cents per child per day, but again in the nonpoor (reduced-price) category.

Raise or eliminate the tuition ceiling, currently $1,500, on private schools that may participate in the school lunch program. Parents of these private school children, who are above 185 percent of poverty, can surely afford the $36.90 annual subsidy that their children would receive as a result of the proposed legislation.

Permit families with undefined medical expenses to deduct these expenses from their incomes to determine whether their children qualify for higher Federal reimbursement rates. I share the concerns expressed by others that child nutrition programs not become a new form of Federal health subsidies.

Provide an additional meal and snack to the two meals and one snack that are already provided for children in the child care food program. The Congressional Budget Office notes that most of the $27 million in increased cost would result from the addition of another federally-reimbursed snack.

The crisis confronting Congress and the American people is to reduce the Federal spending and the resulting deficits. Deficits cannot be reduced in the aggregate by unnecessarily increasing spending in individual areas or programs, no matter how attractive that may seem to be at the moment. I have supported, and continue to support, sound, effective, and fiscally responsible child nutrition programs, but the specific increases being advocated this year do not fit those criteria.

While I concur with the Committee's decision to report legislation dealing exclusively with the five expiring child nutrition programs, the consequence is that consideration of needed reforms in several of the programs to save taxpayer's dollars will have to be postponed.

My objective is to insure that these child nutrition programs provide assistance to those for whom they are intended. I have indicated on numerous occasions that no Government program—from defense to child nutrition—is above scrutiny. As Chairman of the Committee on Agriculture, Nutrition, and Forestry, it is my duty to insist that all programs under the Committee's jurisdiction are operated efficiently, and in a manner fair to the taxpayers. There are areas needing improvement.

In most of the child nutrition programs, any child—regardless of income—may participate in the federally-supported programs. However, the level of Federal subsidy for each meal served, as well as the amount, if any, that may be charged, is dependent on the income status of the child's family.

Meals for which Federal subsidies, or reimbursements, are available are lunch; breakfast in the case of children at child care centers and day care homes and in some summer food programs, a snack; and in some cases, suppers may be reimbursed.

In most of the programs, children eligible for free meals in the various programs are those from families with incomes at or below 130 percent of the poverty line. This is the same as the gross

income eligibility standard for the food stamp program. No charge is made for meals served to students participating in the free category.

Students eligible for free meals in the various programs are those from families with incomes at or below 130 percent of the poverty line. This is the same as the gross income eligibility standard for the food stamp program. No charge is made for meals served to students participating in the free category.

Reduced-price meals may be served to students from families whose incomes fall between 130 and 185 percent of the poverty line. Such students may be required by the school to contribute as much as 40 cents of their own money for lunch, and as much as 30 cents for breakfast.

Paying students are those from families with incomes above 185 percent of poverty. There is no Federal limit on the lunch or breakfast price which may be charged to paying students.

The following table shows the current annual, as well as monthly, eligibility guidelines for free and reduced-price lunches as compared with 100 percent of the OMB poverty guidelines.

INCOME ELIGIBILITY STANDARDS FOR FREE AND REDUCED-PRICED LUNCHES IN THE SCHOOL LUNCH PROGRAM

[July 1, 1983–June 30, 1984]

Household size	130 percent (free)		185 percent (reduced price)		100 percent	
	Month	Year	Month	Year	Month	Year
1	$527	$6,318	$750	$8,991	$405	$4,860
2	709	8,502	1,009	12,099	545	6,540
3	891	10,586	1,268	15,207	685	8,220
4	1,073	12,870	1,527	18,315	825	9,900
5	1,255	15,054	1,786	21,423	965	11,580
6	1,437	17,238	2,045	27,639	1,245	14,940
7	1,619	19,422	2,304	27,639	1,245	14,940
8	1,801	21,606	2,563	30,747	1,385	16,620
Each additional	+182	+2,184	+259	+3,108	+140	+1,680

These eligibility standards will be adjusted July 1 to reflect changes in the Consumer Price Index for the 12 months ending May 30.

Federal subsidies are scaled in such a way that the largest subsidy per meal goes for children receiving free meals, a lesser amount for those receiving reduce-price meals, and a lower amount for those—above 185 percent of poverty—who pay for their meals.

The following table outlines the amount of the Federal subsidy for each category of meal:

FEDERAL ASSISTANCE, JULY 1, 1983, TO JUNE 30, 1984

[In cents]

	Free	Reduced price	Paid
Lunch: School [1] (lunch only) and child care centers (lunch or supper)	131.75	91.75	23
Breakfast: Schools and child care centers [2]	62.75	32.75	9
Supplement (Snack): Child care centers	33.00	16.50	3

[1] Reimbursement rates are 2 cents higher in schools where 60 percent or more of children are eligible for free and reduced price school lunches.

[2] "Severe need" schools have higher reimbursement rates for free and reduced price meals—75.50 for free, and 45.50 for reduce price. Severe need schools are those which cannot afford to serve free and reduced price breakfast at the regular reimbursement rate, because over 40 percent of the children are eligible for free or reduced price lunches and because of unusually high preparation costs or local hardships.

Again, these figures will be adjusted on July 1 to reflect changes in the Consumer Price Index for food away from home.

While most of the programs provide reimbursements based on the income level of recipients—a "needs" or "means" test—some are not, and it is these programs that most need urgent review and reform.

CHILD CARE FOOD PROGRAM

The child care food program is comprised of two components. Day care centers, constituting almost two-thirds of the $400 million program, operate under the same essential parameters as apply in the school lunch and breakfast programs. Meal reimbursements are based on the income of the families whose children participate in the program.

However, in family or group day care homes, the other component of the program, participating homes receive a standardized Federal reimbursement for all meals and snacks served to children enrolled in such homes regardless of the family income of the child. As in centers, Federal reimbursement of a maximum of two meals and one supplement, or snack, is permitted each day. Typically, no more than 3 to 5 children are enrolled in a participating home.

At a time when increasing attention is focused on the extent to which Federal programs are targeted to the poor, this program warrants careful scrutiny because of reports of an increasingly large proportion of nonpoor children participating, for which the day care home providers receive full Federal reimbursements for meals.

At the present time, there is no differentiation in Federal payment levels—that is, reimbursement—according to the family income of the participating children. As noted previously, in other child nutrition programs—school lunch, school breakfast, and child care centers in the child care food program—the income level of the family determines the Federal payment for each meal served.

The only existing limitation in the day care home portion of the program is that children of a family day care home provider may only participate in the program—that is, receive federally reimbursed meals—if the family income is at or below 185 percent of the OMB poverty guidelines, the same guidelines for free and reduced-price lunch and breakfast participation.

However, for the children of all other parents, there is neither a restriction on their admission to the day care home, nor on the receipt by the day care home of the standardized Federal payment rate for meals served to those children.

In 1978, a provision was enacted into law establishing a separate payment system without income requirements. With the exception of limiting participation of provider's children—subsequently adopted in the Omnibus Budget Reconciliation Act of 1981—this system has remained unchanged since implemented in May 1980.

An increasing amount of information suggests that the program's rapid expansion has come almost exclusively from the addition of day care homes serving primarily children from non-needy families.

One study commissioned by the Department of Agriculture estimated that 75 percent of all participating children are from families with incomes above 130 percent of poverty, indeed 64 percent are from families with incomes above 185 percent of poverty ($18,315 for a four-person household).

An audit by the Office of Inspector General of the Department of Agriculture, completed September 30, 1982, has indicated that in the largest association of day care homes, a similarly overwhelming majority of participants came from families with incomes above both the free and reduced-price income eligibility levels used for the child care centers and school lunch and breakfast programs.

The OIG audited the largest multi-State sponsor in the program, Quality Child Care, Inc., of Mound, Minnesota. According to the OIG audit, 71 percent of all children enrolled in the homes audited were from families with incomes above 185 percent of poverty. Only 14 percent of the children in day care homes studied were from families with incomes below 130 percent of poverty.

The Inspector General called for the reinstatement of income eligibility criteria for family day care home participants. Representatives of the Inspector General reiterated that position during a Committee hearing on April 25.

The President's Task Force on Food Assistance, completed January 18, 1984, also noted the poor targeting in the day care home portion of the child care food program. The task force concluded, "Presently the benefits of this program are not effectively targeted toward lower-income children, and a high proportion of recipient children come from households substantially above the poverty line." In lieu of reinstatement of a means test, the task force recommended that participation by day care homes be limited to homes in low income areas, for example, to areas where 50 percent or more of school lunches are served free or at a reduced price. Homes in other areas that wish to participate could do so by using a means test, according to the task force recommendation.

It seems clear that scarce Federal resources are going to those well above any reasonable standard of need. The Congressional Budget Office estimates that almost half of the day care home portion of the program, $82 million, could be saved by reinstituting a means test.

Contrary to some of the charges made by proponents of the status quo (primarily advocacy groups and day care home providers who profit from the current system), reinstating the means test is not somehow "anti-child care". Indeed, it should be noted that prior to 1980, when income eligibility criteria were in effect, the number of day care homes participating in the program, and the number of children served, grew. The difference in the growth since the elimination of the income test is that most of the growth appears to have come from the addition of homes serving children from families well above the poverty line. The following table outlines the income distribution in 1980 when the means test was eliminated as compared with the recent information collected for the Department of Agriculture.

FREE, REDUCED-PRICE, AND PAID INCOME CATEGORIES WITHIN FAMILY AND GROUP DAY CARE HOMES

[In percent]

	1980	1982
Free (below 130 percent)	44	25
Reduced-Price (130 to 185 percent)	24	11
Paid (above 185 percent)	32	64

Source: U.S. Department of Agriculture.

Neither is it accurate that a means test is "impractical", as some have charged. The program used just this sort of income eligibility test for several years before it was eliminated in May 1980, and, as noted above, the program grew during this period. Similarly, there is no basis for assuming that day care home providers would drop out of the child care food program or stop offering day care altogether.

It should be emphasized that reinstating a means test does not disadvantage poor children who are in the homes. Indeed, homes primarily serving poor children would receive *increased* Federal assistance for meals served to children with family incomes at or below 130 percent of poverty. The following shows the cash reimbursement rates for child care centers and day care homes.

CASH REIMBURSEMENT RATES FOR CHILD CARE FOOD PROGRAM, JULY 1, 1983, TO JUNE 30, 1984

[In cents per serving per child]

	Day care centers			Family or group day care homes
	Free	Reduced-price	Paid	
Breakfast	62.75	32.75	9.0	52.5
Lunch/supper	120.25	80.25	11.5	103.0
Supplement (snack)	33.0	16.5	3.0	30.75

Under a means test, the reimbursement rates would be those used in child care centers which are the same as in the school lunch and breakfast programs. CBO estimates that the impact from reinstating the means test would be to increase slightly the spending on behalf of poor children, while reducing spending for children from higher income families, especially those above 185 percent of poverty.

ANNUAL DISTRIBUTION OF CHANGE RESULTING FROM REINSTATEMENT OF MEANS TEST IN THE DAY CARE HOME PORTION OF THE CHILD CARE FOOD PROGRAM

[In millions]

Free	Reduced-price	Paid	Total
+2	−5	−79	−82

Day care homes are small businesses. They are the only "for-profit" entities allowed to participate in any Federal child nutrition programs. Frankly, if Congress does not take remedial action soon, the enormous concern to reduce Federal spending may eventually provide even greater pressures for reform, possibly including the total elimination of the program because it is so indefensible in its present form—primarily subsidizing nonpoor families.

SUMMER FOOD SERVICE PROGRAM

The other program without an individual income test for either eligibility or reimbursement rates is the summer food service program.

While the program purports to have a geographical limitation to participation, this serves as little restriction to non-needy participation, particularly in small towns and rural areas. The statute provides that the program may operate only in areas where 50 percent or more of the children are eligible for free or reduced-price lunches—that is, are from families with incomes below 185 percent of poverty, $18,315 for a four-person household. Because the 50 percent free or reduced-price lunch rule includes most public school districts, the program is essentially a national program, although some areas that may be eligible to operate the program do not choose to do so.

Except for participation in camps, there is no individual or family eligibility standard for receipt of meals and snacks under this program. The geographical income limitation described above constitutes the only restriction of program participation. Any child in an approved area, regardless of family income, or attending a site if he lives outside the area, may receive a free meal.

No income date is required to be reported by program operators, and the Department of Agriculture has conducted no surveys on the issue. There may be little abuse in certain inner city areas where most residents may, indeed, be poor: however, in other areas where families with varying levels of income (including higher income families) live in close proximity, there is the possibility that children from non-needy families participate in the program. Inasmuch as the program is estimated to cost $104 million this summer, any significant participation by non-needy could cost millions of dollars.

An income eligibility, or means test, is already required at camps participating in the program. In my view, this should be extended to the remainder of the summer food service program in order to ensure that Federal tax dollars are targeted to the poor, rather than the nonpoor.

Another fundamental change which needs to be made in the summer food program is to convert it from an entitlement program. There is certainly no rationale for maintaining this program in its present form as an entitlement program. The number of Federal programs operating as entitlement programs has grown enormously in the past decade. This has greatly contributed to the spiraling rate of Federal spending. Congressional oversight will be increased by conversion of the summer food service program to a regular, appropriated grant program, permitting the Appropriations

Committee to review the program and to recommend funding levels they deem appropriate.

Consideration should also be given to restricting the program's operation to facilities, such as schools and camps, that have adequate food service and food storage. In this time of fiscal restraint, it seems advisable to me to limit federally reimbursed meals to lunches, and thereby eliminate breakfasts and snacks from the program. Additionally, there is no need to provide higher reimbursement rates in the summer program, as is the present case, than is permitted in other Federal child nutrition programs.

STATE CONTRIBUTIONS FOR CHILD NUTRITION

One of my concerns with regard to existing child nutrition programs, and to other programs as well, is the almost total dependence on Federal funding. Inevitably, when the Federal Government provides reimbursements or other payments, or covers administrative expenses, States are not required to contribute to the cost of the programs. Indeed, even in programs where a State contribution was originally required, such as school lunch, that contribution as a percentage of the program has been reduced over the years.

There are several consequences of a long-term continuation of this heavy dependence on Federal funding for the programs. States are not as apt to be terribly concerned with poor administration of the program—high administrative expenses, poor verification procedures, high rates of ineligibility—because funds misspent are "Federal dollars", as if Federal dollars come from somewhere other than individual taxpayers in each of the areas where officials made such disclaimers. Indeed, some officials apparently regard Federal subsidies as a means of bringing increased dollars into their counties or States, almost like attracting a new industry. To some extent State and local areas may even benefit from poor administration. One news story earlier this year was especially direct in noting that school systems can benefit from ineligible students receiving free lunches because of the higher Federal reimbursements that are paid to the schools for free lunches. Obviously, if families listed their correct income, they may not be eligible for free lunches, and the school system would receive lower Federal reimbursements.

Another potential consequence is a lack of realism about various costs associated with certain proposals. Committee members heard from some people connected with the school lunch program who advocated various forms of increased Federal spending. No doubt, however, that if such requests had to be made, and justified, at a more local level of government—possibly resulting in local tax increases—such requests would be more fiscally responsible.

It may be trite, but it is demonstrably true that, for taxpayers, there is no such thing as a free lunch. The school lunch program costs about $3 billion annually. Currently Federal reimbursements vary depending on the income level of the students served. Yet, there are some who continue to advocate that all school lunches should be served "free" to students, regardless of the income level of the families of those children. Already about half of the lunches served are to children from families with incomes above 185 per-

cent of poverty, currently, $18,315 for a family of four. Such a universal free lunch program would, at a minimum, double the cost of the program. Many school officials and school food service personnel who would be outraged, as taxpayers, if such a proposal were to be financed at the local level, nevertheless troop to Washington as if there is some reservoir of Federal money just waiting to be spent. The last time I looked on the Capitol grounds, there were no money trees.

What I am suggesting is that we must be fiscally realistic and prudent in considering spending in all areas, including popular child nutrition programs. If certain proposals are not worth paying for with local tax dollars, they are probably not worth paying for with Federal tax dollars either.

State and local governments need to be responsive to the Federal taxpayers who live in their areas. Almost $300 million is spent annually just for administrative expenses in the various child nutrition programs. It seems to me that there needs to be a fundamental review of which aspects of these programs should be federally funded, as most are now, and which should be funded at the State and local level. I suggest that one consequence of greater local and State involvement would be much-improved, streamlined programs.

Based on this fundamental premise, I recommended earlier this year that Federal financing for State administrative expenses of operating the child nutrition programs be eliminated. Surely, it is not too much to expect these administrative expenses to be financed at the State and local levels, rather than through Washington.

Nowhere is there a better example of a need to review proper Federal-State roles than in actual administration of some of the programs. The child nutrition programs are administered at the Federal level by the U.S. Department of Agriculture. However, actual day-to-day operation of the programs is chiefly the responsibility of State and local governments. I say "chiefly" because some States have refused to operate some of the programs. For instance, 17 States refuse to operate the summer foods service program.

In such instances, current law requires the Federal Government, through regional offices of the Food and Nutrition Service, to administer the summer program in these 17 States. This means that Federal responsibilities must be diverted in order to operate programs in States where the State has refused to do so. To my mind, this raises the question of whether as many as a third of the States even value the program. If States really believe that this program is worthwhile, they should be willing to assume the responsibility for its operation.

Additionally, we need to consider whether certain programs have simply run their course. Nutrition education and training had a specific purpose, curriculum development, which the Administration feels has been met; I concur with that assessment. The program now primarily pays for salaries of State personnel, in many ways subsidizing not nutrition education and training, but rather State budgets. It seems to me that we should review programs and consider whether their continuation in their present form is warranted. In my view, in light of the overall budget situation, this is

one which could be ended without irreparable damage to the cause of child nutrition, or to nutrition education.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

Those of us who suggest improvements in various child nutrition programs, including WIC, are not "against" women, or children, or child nutrition. We must carefully examine the programs, and when there are recommendations to strengthen the programs, they should be considered carefully.

The WIC program has grown rapidly in its 10 years of operation. It seems reasonable to me to examine whether the program is, indeed, effective, or at least to determine what is known about the program's effectiveness.

In anticipation of WIC reauthorization, I asked the General Accounting Office to undertake a careful examination of existing research to determine the soundness of various WIC evaluations and the credibility of the claims which have been made based on them. These findings had been cited in previous testimony before the Committee to support contentions that the program is effective in improving a variety of maternal and child health conditions among participants. Others, however, have criticized the methodology of the studies as unsound and the findings insufficient for national representation.

The GAO found, after examining the studies, that "the information is insufficient for making any general or conclusive judgments about whether the WIC program is effective or ineffective overall." The GAO did note that, "in a limited way", the information indicates that likelihood that WIC has modestly positive effects in some areas, primarily infant birthweights. (See "WIC Evaluations Provide Some Favorable But No Conclusive Evidence Of The Effects For The Special Supplemental Program For Women, Infants, And Children", January 30, 1984.)

As I noted at one of the hearings, I would have been hopeful that after 10 years, there would be more supportive and conclusive evidence to demonstrate whether this program is worth over $1 billion of the taxpayer's money each year.

While we had heard a lot of assertions about the program from program advocates, the GAO's examination of the actual research provided no clear indication of any reliable research consensus as to the program's effectiveness—or ineffectiveness.

Hopefully, further research will provide a greater degree of certainty. Later this year the national evaluation of the WIC program should be completed. Perhaps this will contain some more conclusive findings.

A separate study by the Congressional Research Service provided a thorough examination of another frequently made claim that the WIC program "saves $3 (in averted hospital costs) for every $1 spent in WIC". Again, such assertions are not substantiated by the research evidence. The Congressional Research Service examined the study cited to demonstrate this "3-for-1" argument and concluded that the evidence was "neither conclusive nor generalizable to the program's benefits nationwide. Since the study was confined

to the State of Massachusetts, it would be inappropriate to infer that the WIC program would have the same effects nationwide. Finally, the study does not support one specific cost-benefit ratio for the WIC program, even in Massachusetts. The authors do not make such claims in their analysis."

However, even if one wanted to assume that the program is inherently effective and cost-beneficial—which, as noted above, has not been conclusively demonstrated—there are still questions about the day-to-day administration of the program.

The foremost operational problem in the WIC program is that of targeting benefits to the most needy. Another division of the General Accounting Office is currently conducting a study on this and other administrative aspects of the program. Mr. Brian P. Crowley, Senior Associate Director of the Resources, Community, and Economic Development Division of the GAO, outlined some of their concerns at an April 25 committee hearing.

Many of these problem areas were ones which I had also identified and attempted to address in legislation I introduced earlier this year, S. 2545, the Nutrition Programs Reform Act.

The GAO observations are most interesting. Mr. Crowley noted, "We found broad agreement among program directors, nutritionists, and certifying officials that the pregnant women, breastfeeding women, infants, and children under age three (in roughly that order) were more likely to be at risk because of inadquate income, health care, or both, and more apt to benefit from timely WIC intervention than nonbreastfeeding women and older children." This is consistent with the six existing priority rankings of WIC participants, which rank pregnant women, breastfeeding women, and infants who are at nutritional risk as the top priority. Continued Mr. Crowley, "there also was substantial agreement that targeting program benefits to the groups at greater risk would represent an appropriate strategy for optimizing program impact and ensuring effective use of limited funds."

The GAO noted, "Current program rules do not require or even encourage targeting except under circumstances where a State or local agency program has attained maximum caseload. However, since an agency may be in maximum-caseload targeting situations for only limited periods of time during a program year, or perhaps not at all, it would not be required to target just when targeting would make the most sense and would likely be most productive; that is, when available funds would enable it to increase enrollment by taking on new participants."

One would like to hope that the program would have as a primary purpose the service of those at greatest risk, those most in need of the supplemental food provided by the program. Unfortunately, in practice, that is not necessarily the case. The GAO stated: "Some agency directors told us that the pressures to enroll participants quickly and to maintain participation at the new, higher caseload levels made possible by infusions of additional funding at unpredictable intervals often turn WIC into a 'numbers game' where the relative health risk or need of those served becomes less important than simply filling the available caseload slots."

Mr. Crowley noted another potential problem area identified by the GAO, "our analyses and discussions at local WIC offices also have suggested a need to refine and tighten some of the nutritional risk criteria presently used to enroll WIC participants, and to make it more uniform nationwide. The nutritional risk criteria differ from state to state and result in disparities as to who can qualify for the program. One of our earlier reports addressed this some general issue and pointed out the need to assure WIC applicants more equitable access to program benefits regardless of where they live."

As in many social services programs, verification of income may be a problem. Mr. Crowley noted, "we noted that WIC regulations do not require documentation of income eligibility. WIC certification workers commonly accept an applicant's word on family income."

Indeed, the current program does not even require participants to furnish social security numbers. It should also be noted that there are no provisions for recovering the value of benefits which are issued to ineligible recipients.

Another concern, in my judgment, is the high percentage of administrative costs in the program. Twenty percent of the program funds are used for administrative expenses in administering the program. This is very high relative to other Federal programs.

As with many other Federal child nutrition programs, no State "matching" funds or other financial contribution by the State is required. Not surprisingly, States thus far have been opposed to correcting the types of shortcomings identified by GAO.

Even if it is conclusively demonstrated that the program can be effective, it surely cannot be so without proper targeting and improved administration.

Whether we focus on them this year, or in the future, these are the types of issues that need to be addressed.

JESSE HELMS.

ADDITIONAL VIEWS OF SENATOR WALTER D. HUDDLESTON

I am pleased the Committee on Agriculture, Nutrition, and Forestry is recommending to the Senate that the authorization for appropriations for five important child nutrition programs be extended. However, it had been my hope that the Committee would have been able to agree to a 4-year reauthorization, rather than 2, for these programs, in addition to making needed restorations and improvements to other child nutrition programs. However, because of the limited amount of time remaining in this session of Congress and the fact that the Committee was faced with a myriad of provisions affecting several of the child nutrition programs—but was making little progress toward reaching any resolution of the differences—it was necessary to report an original bill to reauthorize the expiring programs.

IMPORTANCE OF THE CHILD NUTRITION PROGRAMS

The child nutrition programs represent the most important efforts of the Federal Government to assure the nutritional well-being of our Nation's children.

Inadequacies of diet, especially for children, limit individual growth and development. This reduces the potential contribution an individual can make to the betterment of our society and, as a result, all of society is penalized.

In a Nation such as ours, which is blessed with a rich abundance of food because of our agricultural productivity, no child need be deprived of his or her opportunities for development due to a lack of a proper diet.

The school lunch and other child nutrition programs, in concert with our Nation's educational system, provide the basis for fulfillment of our Nation's goal of assuring every individual the opportunity of complete development and self-expression.

Members of the Committee are committed to the use of the Nation's agricultural abundances to alleviate the problems of hunger and malnutrition. Several food programs designed to reach the most nutritionally vulnerable children have been developed by the Committee.

S. 1913

On September 30, 1983, I introduced S. 1913, a bill to provide for improvements is the school lunch and certain other child nutrition programs. The bill responds, in part, to problems which have occurred as a result of actions taken by Congress in 1980 and 1981. Fifty-two Senators have joined me in sponsoring the bill.

On April 30, 1984, I submitted an amendment in the form of a substitute to S. 1913. Amendment No. 3040, in addition to incorporating many of the provisions of S. 1913, includes provisions reau-

thorizing appropriations over the next 4 years for those programs with authorizations due to expire at the end of this fiscal year. A 4-year reauthorization is important because it provides much needed stability. The administration of these programs would become increasingly difficult if, each year, local administrators were faced with the possibility of program termination. (The organizational endorsers of Amendment No. 3040 are set forth in the Appendix to these views.)

NEED FOR IMPROVEMENTS

In 1980 and 1981, Federal aid for child nutrition programs was reduced by 30 percent, or $1.5 billion. The end result was that thousands of schools and millions of children, including 1 million children from low-income families stopped participating in the school lunch program. Approximately 400,000 children who once were receiving reduced-price meals are no longer participating in the school lunch and breakfast programs.

In addition, children were forced from the free category to the reduced-price category because the income eligibility levels were changed for free meals. Moving from free to reduced-price meals was particularly devastating for these children because their cost of a meal went from free to 40 cents. For a family on a tight budget and with several children, additional annual expenses of hundreds of dollars are a severe burden.

Major reductions also occurred in the other programs—summer feeding, child care food, special milk, and nutrition education.

I am perplexed that critics are charging that the beneficiaries of my bill are so-called nonneedy children. The fact is that these are children from families that may not be eligible for food stamps or other welfare programs but whose income may be as low as $12,871 for a family of four. I would not for a moment assume that a family of four with a annual income of $12,871, before taxes, is having an easy time trying to make ends meet.

Further, Department of Agriculture bureaucrats have made an issue of the fact that only 30 percent of the additional benefits provided under my bill are targeted to children from families whose incomes are below $12,870 per year. I would point out that the 1981 Omnibus Budget Reconciliation Act did not cut the subsidies for free meals. Therefore, the major program changes needed are to assist those families with low incomes in the $12,871 to $18,315 range.

The simple fact is that the children who should be helped now are those who were hurt the most by the budget cuts. It is obvious, based on the decrease in participation in the school lunch and breakfast programs, that the increased price for a meal is a difficult burden for many families with limited incomes.

The Federal Government, while saving money, has realized the savings by penalizing the children of the working poor who need the food and nutrition programs because there is no other comparable safety net for them. Now that we now what effects these budget cuts have had on our Nation's children, I believe we are duty bound to correct the inequities and put an end to any regressive policies that allow children to go hungry—just as we are duty

bound to correct problems that involve fraud and abuse in a program.

CONCLUSION

On May 1, 1984, the House of Representatives passed H.R. 7—a bill similar to my substitute amendment to S. 1913—by a vote of 343 to 72. During the first session of the 98th Congress the House passed H.R. 4091—the House companion measure to S. 1913—and that bill is on the Senate's calendar and awaiting the Senate's action. I believe the provisions contained in H.R. 7 and my substitute amendment are reasonable and provide a balanced approach for addressing the problems that have occurred as a result of the 1980 and 1981 budget cuts in the school lunch and child nutrition programs. It is my hope that the child nutrition legislation Congress sends the President for approval will contain the provisions embodied in my legislation. (I would like to note that the 2-year bill being reported by the Committee is in no way in conflict with the First Concurrent Resolution on the Budget for Fiscal Year 1985, which was adopted by the Senate on May 18, 1984. In that connection, see the Appendix to these views.)

WALTER D. HUDDLESTON.

APPENDIX

A.

The following colloquy occurred during the Senate's debate on the First Concurrent Resolution on the Budget for Fiscal Year 1985:

Mr. BOSCHWITZ. Mr. President, I should like to clarify an issue concerning appropriations levels under the budget resolution. As I understand it, the resolution does not eliminate the normal functions of the Appropriations Committee in determining where to set funding levels for individual programs, so long as total appropriations for all nondefense programs in the aggregate remain within the prescribed ceiling. Is this correct?

Mr. DOMENICI. The Senator is correct.

Mr. BOSCHWITZ. Pursuing this point further, while the resolution assumes a freeze on nondefense appropriations in the aggregate, it is my understanding that the resolution does not dictate to the Appropriations Committee that every individual program and account be frozen. The Appropriations Committees would remain free—as they traditionally have been—to fund individual programs at higher levels, so long as other discretionary programs had their appropriations reduced sufficiently so that total spending fit within the ceiling.

Mr. DOMENICI. That is the intention.

Mr. BOSCHWITZ. Now yesterday, the Senate Agriculture Committee reported a bill that reauthorizes the WIC program—the special supplemental food program for women, infants and children—for 2 years at current services levels. These levels are, of course, only authorization ceilings. They do not require any specific levels of spending—rather they simply allow the Appropriations Committee to appropriate enough funds to maintain WIC at current services if

the Appropriations Committee can squeeze enough funds out of other accounts to remain within the overall ceiling. There is nothing unique in this approach. I understand that there are certain areas of nondefense spending in which the administration, itself, is seeking increases above the freeze level, and once again, these would not be precluded if the Appropriations Committee can find the funds elsewhere.

So, it is my understanding that the Agriculture Committee's action to reauthorize WIC at current services levels—and let the Appropriations Committees determine the actual spending level for the program—is not a breach of this resolution.

Mr. DOMENICI. The Senator is correct. Ultimately, the Appropriations Committee would determine the final funding level for WIC and would have to live within the overall, aggregate spending ceilings we have established. But we are not dictating authorization or appropriations levels for individual program accounts or requiring that every program is to be funded at exactly the freeze level. We are setting the overall ceilings, and the Appropriations Committees will make the decisions on funding levels on a program-by-program basis.

(130 Cong. Rec. S6027-S6028 (daily ed. May 18, 1984))

B.

Organizational Endorsers of the Substitute Amendment to S. 1913

American Association of Retired Persons.
American Camping Association.
American Federation of State, County and Municipal Employees.
American Public Health Association.
American School Food Service Association.
Bread for the World.
Camp Fire, Inc.
Center for Science in the Public Interest.
Center on Budget and Policy Priorities.
Child Care Food Program Sponsors Forum.
Child Welfare League of America.
Children's Defense Fund.
The Children's Foundation.
Communications Workers of America.
Community Nutrition Institute.
Cooperative League of the U.S.A.
Council for American Private Education.
Council of Chief State School Officers.
Council of Great City Schools.
Food Research and Action Center.
Friends Committee on National Legislation.
Health, U.S.A.
Interfaith Action for Economic Justice.[1]
International Ladies Garment Workers Union.
Iowa Advocator Welfare Answering Service.
Lutheran Council.

[1] A coalition of 26 national Protestant, Jewish, Roman Catholic, and ecumenical agencies that work together.

Lutheran Family and Child Services of Missouri—St. Louis, Mo.
League of United Latin American Citizens.
League of Women Voters of the United States.
Mexican-American Legal Defense and Education Fund.
National Anti-Hunger Coalition.
National Association of Counties.
National Association of Wheat Growers.
National Black Child Development Institute.
National Coalition of Title I Parents.
National Consumers League.
National Council of LaRaza.
National Council of Senior Citizens.
National Farmers Union.
The National Institute of Hispanic Children and Families.
The National Milk Producers Federation.
The National PTA.
National Rural Housing Coalition.
National School Board Association.
National Urban League.
Public Voice for Food and Health Policy.
Rural American Women.
Rural Coalition.
Service Employees International Union.
Society for Nutrition Education.
United Auto Workers.
United Food and Commercial Workers.
U.S. Conference of Mayors.
Vermont Food Stamp Advisory Council.
World Hunger Education Service.
Women's Equity Action League.

○